

# Perennial Income Generator Fund (Managed Fund)

Product Disclosure Statement (PDS)

ASX CODE: EIGA | ARSN 623 311 419

Dated: 6 September 2023



# Contents Page

Important information .....	3
1. Key features .....	5
2. About the Fund .....	10
3. Benefits of Investing in the Fund .....	13
4. Risks.....	14
5. How to invest in the Fund .....	17
6. Fees and other costs .....	18
7. Additional information .....	23
8. Taxation .....	29
9. Glossary.....	30

# Important information

## Responsible Entity

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## Investment Manager

Perennial Value Management Limited  
ABN 22 090 879 904, AFSL 247293

## Client Services Contact Details

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## About Perennial Investment Management Limited

Perennial Investment Management Limited (**PIML, Responsible Entity, we, our or us**) (ABN 13 108 747 637, AFSL 275101), as the Responsible Entity for the Perennial Income Generator Fund (Managed Fund) (ARSN 623 311 419) (the **Fund**), is the issuer of this PDS, of Units in the Fund and is solely responsible for the contents of this PDS.

PIML has appointed Perennial Value Management Limited (ABN 22 090 879 904, AFSL 247293) (**Perennial Value**), to provide investment and other services for the Fund. Perennial Value is part of Perennial Partners Limited (ABN 90 612 829 160) (**Perennial Partners**), a house of specialist investment boutiques. Perennial Partners has been appointed as a Corporate Authorised Representative of Perennial Value (CAR No. 1293138).

Perennial Value and Perennial Partners are related body corporates of PIML.

An investment in the Fund does not represent an investment in, deposit or other liability of PIML, Perennial Value or Perennial Partners. Neither PIML, Perennial Value or Perennial Partners or their respective employees, agents and officers guarantee the success, repayment of capital, rate of return on income or capital, or investment performance of the Fund. It is your obligation to seek any advice and observe any legal restrictions on an investment in the Fund which may apply to you.

## About this PDS

This PDS is dated 6 September 2023 and sets out the important information and features of the Fund. A copy of

this PDS was lodged with both the Australian Securities & Investments Commission (**ASIC**) and ASX Limited (**ASX**). No responsibility as to the contents of this PDS is taken by ASIC or the ASX or their respective officers. The Fund has been admitted to trading status on the ASX under the AQUA Rules.

The ASX has approved for the Fund's admission to trading status on the ASX under the AQUA Operating Rules with the code: **EIGA**. No representation is otherwise made concerning the continued quotation of the Units on the ASX.

The Fund is an Australian registered managed investment scheme. Units in the Fund are offered and issued by us on the terms and conditions described in this PDS.

This PDS can only be used by Investors receiving it (electronically or otherwise) in Australia and New Zealand. The Fund is otherwise not available to Investors in any other country. New Zealand Investors should refer to Section 13 Important Statement for New Zealand Investors.

The information in this PDS is general information only and does not take into account your objectives, personal financial situation or needs. We strongly recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances and needs before making an investment decision. By becoming an Investor in the Fund, you agree to be bound by the terms and conditions described in this PDS. PIML reserves the right to decline Unit creation requests in full or in part and reserves the right to change the terms and conditions.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Fund in any jurisdiction outside Australia and New Zealand. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Unless identified to the contrary, all references to monetary amounts are to Australian dollars. Capitalised terms have the meanings given to them in the Glossary (refer to Section 9).

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

Information in this PDS is subject to change from time to time. A copy of the latest PDS for the Fund is available on the Perennial website [www.perennial.net.au](http://www.perennial.net.au), and a paper copy can be provided upon request free of charge.

## Target Market Determination

PIML has issued a Target Market Determination (TMD) which, amongst other things, describes the class of consumers for whom the Fund is likely to be consistent with their likely objectives, financial situation and needs.

The TMD for the Fund should be read in conjunction with this PDS and can be obtained by contacting Client Services or from the Perennial website at [www.perennial.net.au](http://www.perennial.net.au).

## PDS updates

Information contained in this PDS is current as at the date of this PDS. Certain information in this PDS, as well as the features of the Fund, are subject to change from time to time. We will notify Investors of any material changes or other significant events that affect the information in this PDS (and may issue a supplementary or replacement PDS accessible via the ASX Market Announcements Platform), in accordance with our obligations under the Corporations Act 2001 (Cth) (**Corporations Act**).

Updated information that is not materially adverse to Investors can be obtained from our website [www.perennial.net.au](http://www.perennial.net.au).

# 1. Key features

## 1.1 What is an ETMF?

In Australia, Exchange Traded Managed Fund's (**ETMFs**) are quoted on the ASX under the AQUA Rules and are traded much like a share. ETMFs can provide you with a convenient way to gain exposure to a wide variety of investments. They can also be used as the building blocks for a well-diversified portfolio.

In the Australian market, active Exchange Traded Funds (**ETFs**) are primarily “passively managed” meaning the investment strategy of the ETF is to track an index, or other benchmark. Some ETMFs, such as the Fund, are “actively managed”, meaning they do not seek to track the performance of a stated benchmark. Whilst an ETMF may also have a benchmark like an ETF, the manager may change sector allocations, portfolio positions etc. as they see fit. This produces investment returns that may not mirror the underlying benchmark of the Fund.

Information on the Fund is set out in Section 2 of this PDS. This Fund may carry certain investment risks. For information on the risks applicable to the Fund see Section 4 of this PDS.

## 1.2 Summary of key information

The following table briefly summarises some of the key information contained in this PDS. It is not a complete summary and you should read the PDS and TMD in their entirety. You should seek your own professional investment advice before deciding to invest in the Fund. Sections 1 to 9 of this PDS contains general information concerning the key features of the Fund.

<b>Fund Name</b>	Perennial Income Generator Fund (Managed Fund)
<b>ARSN</b>	623 311 419
<b>ASX Code</b>	EIGA
<b>About the Fund</b>	The Fund is an Australian registered managed investment scheme. The Fund has been admitted to trading status on the ASX under the AQUA Rules.
<b>Responsible Entity</b>	PIML is the Responsible Entity of the Fund and is the issuer of this PDS.
<b>Investment Manager</b>	Perennial Value Management Limited is the Investment Manager of the Fund.
<b>Investment objectives</b>	<p>The objective of the Fund is to provide investors with an attractive level of tax effective income, paid via monthly distributions. The Fund aims to provide a gross yield, adjusted for applicable franking credits, above that provided by the S&amp;P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).</p> <p>The Fund will aim to achieve this by investing in a diversified portfolio of quality Australian shares listed (or soon to be listed) on the ASX, which Perennial Value believes has the ability to pay an attractive level of dividend income and to grow in value over the long-term.</p> <p>The portfolio may hold between 20 and 70 stocks, with the typical number held being in the range of 30 to 40. The Fund will not engage in short selling and will not use derivatives to a material extent. We note that whilst the Fund may use various derivative instruments, including futures and options, to manage cash flow and investment risk or enhance the yield on the portfolio, it would only do so in the following three (3) scenarios:</p> <ol style="list-style-type: none"> <li>for the dominant purpose of managing foreign exchange or interest rate risk (although as this Fund will invest in AUD denominated securities this is not envisaged);</li> <li>for the dominant purpose of more efficiently gaining an economic exposure, through the use of exchange-traded derivatives, to the underlying reference assets of those derivatives, but only on a temporary basis (i.e. for a period of less than twenty-eight (28) days, which cannot be extended by rolling over or replacing the derivative); or</li> <li>use of exchange-traded derivatives, provided the notional derivatives exposure of the Fund does not exceed 10% of its net asset value (unless the exposure is attributable to circumstances that were not reasonably foreseeable by the Responsible Entity, such as unforeseen market movements or large redemption requests, and the exposure is for a period of no more than three (3) consecutive Business Days).</li> </ol> <p>These three exceptions operate independently of each other. For example, where the Fund uses exchange-traded derivatives for the dominant purpose of managing foreign exchange or interest rate risk, this does not count towards the 10% notional derivatives exposure limit for exchange-traded derivatives in accordance with ASIC Regulatory Guide 240.12.</p>
<b>Benchmark Index</b>	The benchmark for the Fund is the gross yield derived from the S&P/ASX300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).
<b>Asset Allocation</b>	Cash: 0 – 20% Shares: 80 – 100%
<b>Suitable Investor</b>	The Fund may be suitable for Investors with an investment horizon of five (5) years or more, who are seeking exposure to a high yielding portfolio of mainly large and mid capitalisation companies listed (or soon to be listed) on the ASX or New Zealand stock exchanges.
<b>Investing in the Fund</b>	<p>Investors can invest in the Fund by buying Units on the ASX through a stockbroker or share trading account.</p> <p>Units are quoted on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore no minimum investment applies to purchases of Units on the ASX.</p>
<b>Distributions</b>	The distribution period in relation to the Fund is set out in Section 3 of this PDS. The Responsible Entity intends to make distributions in respect of the Fund annually (assuming there is distributable income).

<b>Risks</b>	<p>Before investing in the Fund, Investors should carefully consider the risks associated with an investment in the Fund and obtain independent financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.</p> <p>For further details of the risks of investing, see Section 4 of this PDS.</p>
<b>Fees and costs</b>	<p>The Responsible Entity charges Management Fees and Costs of 0.80% p.a. inclusive of GST and RITC.</p> <p>For further details on Management Fees and Costs, see Section 6 of this PDS.</p>
<b>Tax</b>	<p>Tax information of a general nature is set out in Section 8. Investors should seek their own professional taxation advice which takes into account their particular circumstances.</p>
<b>Complaints</b>	<p>The Responsible Entity has a process in place to deal with complaints from Investors. The complaints process is set out in Section 7.8 of this PDS.</p>

### 1.3 Admission to trading under the AQUA Rules

The Fund has been quoted on the ASX under the AQUA Rules. The AQUA Rules provide a tailored framework for the quotation of exchange traded funds, managed funds and structured products on the ASX. The AQUA Rules are accessible at [www.asx.com.au](http://www.asx.com.au).

In operational terms, the market for products quoted under the AQUA Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

#### AQUA Rules: fundamental difference

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted under the AQUA Rules typically reflects the performance of the underlying assets.

The following table highlights the key specific differences between the AQUA Rules and the ASX Listing Rules.

Requirement	ASX listing Rules	AQUA Rules
<b>Continuous disclosure</b>	Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements contained within ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>The Responsible Entity will comply with the disclosure requirements outlined in section 675 of the Corporations Act. This means that we will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended).</p> <p>PIML will publish such information on the ASX Market Announcements Platform and its website at the same time as it is disclosed to ASIC.</p> <p>As Per AQUA Rule 10A.4, PIML is required to disclose information about the NAV of the Fund daily. The NAV of the Fund will be calculated by Apex Fund Services Pty Limited (<b>Apex</b>) in accordance with PIML's Unit Pricing Policy. PIML must also disclose information about:</p> <ul style="list-style-type: none"> <li>• net monthly applications and redemptions;</li> <li>• distributions and other disbursements;</li> <li>• any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and</li> <li>• any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules.</li> </ul> <p>In addition, under the AQUA Rules, the Responsible Entity must immediately notify the ASX of any information for which the non-disclosure of which may lead to the establishment of a false market in the Units, or which would be likely to materially affect the price of the Units.</p>

Requirement	ASX listing Rules	AQUA Rules
<b>Periodic disclosure</b>	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX Markets Announcements Platform under Chapter 4 of the ASX Listing Rules.	Issuers of products quoted under the AQUA Rules are not required to disclose half-yearly or annual financial information or reports to the ASX Markets Announcement Platform under the AQUA Rules.  The Responsible Entity is however required to lodge financial information and reports in respect of each Fund with ASIC under Chapter 2M of the Corporations Act.
<b>Corporate governance</b>	Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	Although the Units are intended to be quoted under the AQUA Rules, neither the Fund nor the Responsible Entity itself are listed on the ASX and they therefore are not subject to certain corporate governance requirements.  The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act, and with section 601FM of the Corporations Act, including that the Responsible Entity may be removed by an extraordinary resolution of Investors for which the Responsible Entity would not be entitled to vote.
<b>Related party transactions</b>	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA Rules quoted products.  The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
<b>Auditor rotation obligations</b>	Part 2M.4 of Division 5 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the AQUA Rules are not subject to the auditor rotation requirements in Part 2M.4 of Division 5 of the Corporations Act.  An independent auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of the Fund.
<b>Disclosure</b>	Issuers admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS.	Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act.  Investors should read this PDS and the TMD carefully before investing in the Fund to fully understand the risks involved in investing in this type of product.

## Spread requirements

There are requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of Investors each having a minimum parcel size). These requirements do not apply to AQUA Product issuers. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product issuer must ensure a reasonable bid and volume is maintained for the AQUA Product on the ASX except in permitted circumstances or have in place other arrangements which meet ASX's requirements for providing liquidity, generally through the appointment of a Market Making agent.

## About CHES

The Responsible Entity through its outsourced Unit Registry service provider participates in the Clearing House

Electronic Subregister System (**CHES**). CHES is a computer system used by the ASX to manage the settlement of share transactions and to record shareholdings. In practical terms, it allows brokers and other market participants to settle trades via CHES by themselves or on behalf of their clients.

The Responsible Entity will not issue Investors with certificates in respect of their Units held on the CHES sub-register. When Investors purchase Units on the ASX they will receive a holding statement which will set out the number of Units that they hold. An Investors' holding statement will specify the HIN allocated by CHES or SRN allocated by the Unit Registry. Subject to the ASX Operating Rules, the ASX Clearing and Settlement Rules, PIML as the Responsible Entity may decline to register a purchaser of a Unit or Units transacted on the ASX.

## 2. About the Fund

### 2.1 Investment Manager

Perennial Value has been appointed as the Investment Manager for the Fund. Established in 2000, Perennial Value is a specialist Australian equities investment management firm, with a team of nineteen (19) investment professionals. The firm has extensive experience in managing income-focussed Australian equities portfolios, with the Perennial Value Shares for Income Trust (ARSN 100 098 486) launched in December 2005. The Fund follows the same investment strategy and is a listed version of the Perennial Value Shares for Income Trust.

#### **An experienced investment team, actively managing your portfolio**

The investment team is led by Stephen Bruce, who has over twenty (20) years' experience in investing in Australian shares. Stephen joined Perennial Value in April 2000, and has been the portfolio manager of the Perennial Value Shares for Income Trust since November 2011 and the portfolio manager of the Fund since its listing in May 2018. Stephen is also the lead portfolio manager of the Perennial Value Australian Shares Trust (ARSN 093 699 560). Stephen is supported by a large, well-resourced investment team.

#### **A diversified, high-yielding portfolio of large and mid cap Australian shares**

The Fund will invest in a diversified portfolio of quality large and mid cap Australian shares listed (or soon to be listed) on the ASX, which Perennial Value believes has the ability to pay an attractive level of dividend income and to grow in value over the long-term. The portfolio may hold between 20 and 70 stocks, with the typical number held being in the range of 30 to 40.

### 2.2 Investment objectives

The objectives of the Fund are to:

- a. generate an income yield, including franking credits, in excess of that provided by the overall Australian share market;
- b. pay income via monthly distributions; and
- c. deliver long-term capital growth.

### 2.3 Investment strategy and philosophy

Perennial Value believes that a well-diversified portfolio can play a key role in meeting investors' income generating needs.

The Fund will invest in a well-diversified portfolio of quality Australian shares, providing a higher than market yield in aggregate and the prospect of long-term capital growth.

The Investment Manager will use various strategies aimed at maximising the income of the portfolio including tilting the portfolio towards higher yielding stocks, increasing the holdings in stocks ahead of their dividend paying period and using options strategies to generate additional income. Importantly, the portfolio will at all times remain well-diversified, holding between 20 and 70 securities, significantly negating the risk of any single stock in the portfolio.

## 2.4 Portfolio characteristics

WARNING: When it comes to choosing to invest in the Fund you should consider: the likely investment return of the Fund; the risk involved in investing in the Fund; and your investment timeframe.

### The Fund will offer Investors the following characteristics:

<b>Investment return objective</b>	The objective of the Fund is to provide investors with an attractive level of tax effective income, paid via monthly distributions. The Fund aims to provide a gross yield, adjusted for applicable franking credits, above that provided by the Benchmark.						
<b>Minimum suggested investment timeframe</b>	Five (5) years						
<b>Suitable Investor profile</b>	The Fund may be suitable for Investors in the pension phase who are seeking an enhanced level of income and are able to take full advantage of franking credits and off-market share buybacks. As with any investment in the equities market, substantial fluctuations in the value of the Fund may occur. It is therefore important to regard an investment in the Fund as a long-term proposition, suited to investors with an investment time frame of 5+ years.						
<b>Asset classes and asset allocation ranges</b>	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>Australian equities</td> <td>80-100%</td> </tr> <tr> <td>Cash &amp; Derivatives</td> <td>0-20%</td> </tr> </tbody> </table>	Asset Class	Allocation	Australian equities	80-100%	Cash & Derivatives	0-20%
Asset Class	Allocation						
Australian equities	80-100%						
Cash & Derivatives	0-20%						
<b>Benchmark</b>	S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt).						
<b>Description of Fund</b>	The Fund will aim to achieve this by investing in a diversified portfolio of quality Australian shares listed (or soon to be listed) on the ASX, which Perennial Value believes has the ability to pay an attractive level of dividend income and to grow in value over the long-term. The portfolio may hold between 20 and 70 stocks, with the typical number held being in the range of 30 to 40.						
<b>Risk level</b>	High risk of short-term capital loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested timeframe.						
<b>Fund performance</b>	For up-to-date performance, Unit prices and commentaries, please visit <a href="http://www.perennial.net.au">www.perennial.net.au</a>						
<b>Distribution frequency</b>	Monthly (if any)						
<b>Labour standards, environmental, social, and ethical considerations</b>	Perennial Value takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising investments. As a signatory to the United Nations-backed Principles for Responsible Investment, Perennial Value has incorporated environmental, social and corporate governance principles into its investment processes.						
<b>Gearing</b>	Not allowed						
<b>Foreign Currency exposure</b>	Not allowed						
<b>Offshore exposures</b>	Not allowed						
<b>Changes to Fund Details</b>	We have the right to close or terminate the Fund and make changes to the Fund including the investment return objective, the benchmark, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. If there is a material change, we will update this PDS (and the TMD if required), and inform Investors of the material change as required by law.						

## 2.5 Performance

Performance information for the Fund, and the Net Asset Value (NAV) for the Fund, will be published on the Perennial website at [www.perennial.net.au](http://www.perennial.net.au) or on the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX Code: EIGA). Information relating to past performance is not a reliable indicator of future performance.

## 2.6 Market making

To assist with the liquidity of the Units on ASX, the Responsible Entity, on behalf of the Fund, may act as a buyer or seller of Units. At the end of each ASX Business Day, the Responsible Entity will create or cancel Units by applying for or redeeming its net position in Units bought or sold on the ASX. The Responsible Entity has appointed Macquarie Securities (Australia) Limited (**Macquarie**), a trading participant under the ASX Operating Rules, to provide market-making services (**Market Maker**) as agent for the Responsible Entity with respect to the Fund.

The price at which the Responsible Entity may buy or sell Units will reflect the Indicative Net Asset Value per Unit (INAV) per Unit, market conditions and supply and demand for Units during the ASX Trading Day. The difference between the price at which the Responsible Entity is willing to buy Units and sell Units at any time is known as the “bid-offer spread”. The Fund’s monthly average bid-offer spread is reported in the ASX Investment Products Monthly Update, which can be viewed on the ASX’s website at [www.asx.com.au](http://www.asx.com.au).

The Fund will bear the risk of the market making activities undertaken by the Responsible Entity, which may result in either a cost or benefit to the Fund.

The liquidity provided by the Market Maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the Market Maker to create and redeem Units.

The risks of market making are explained in Section 4.

### 3. Benefits of Investing in the Fund

Perennial Value has been appointed as the investment manager for the Fund. It is a specialist investment management firm, established in 2000. It has a highly-experienced team of 15 investment professionals and currently manages over \$5 billion in Australian equities and derivatives. The firm has considerable experience managing income-oriented Australian shares portfolios, successfully managing the Perennial Value Shares for Income Trust and related portfolios since December 2005.

#### A well-diversified portfolio, with income enhancing strategies

The portfolio will consist of a well-diversified portfolio of quality Australian shares, providing a higher than market yield in aggregate and the prospect of long-term capital growth. The Investment Manager will use various strategies aimed at maximising the income of the portfolio including tilting the portfolio towards higher yielding stocks, increasing the holdings in stocks ahead of their dividend paying period and using options strategies to generating additional income as opportunities present through time. Importantly, the portfolio will at all times remain well-diversified, holding between 20 and 70 securities, significantly negating the risk of any single stock in the portfolio.

#### Significant benefits of investing in the Fund include:

##### Access to investment opportunities

Investing in the Fund means that your money is pooled with that of other Investors. This provides the Fund with the investment buying power not often available to you as an individual Investor with smaller amounts to invest. This means you can gain access to investment markets and risk management techniques that would not normally be accessible to individual retail Investors.

##### Professional management

Perennial's investment professionals manage the Fund using a disciplined investment approach aimed at delivering returns in excess of the relevant benchmark.

##### Easy access to your information

For the latest available information on the Fund, you can visit [www.perennial.net.au](http://www.perennial.net.au), contact a Client Services Representative on 1300 420 094, email [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au), or speak to your financial adviser.

#### 3.1 Distributions

The Fund intends to pay distributions monthly (if there is distribution income). Distribution amounts may include dividends, realised gains from disposal of securities, or other

assessable income derived by the Fund, after allowing for fees and expenses.

Investors in the Fund at the end of a distribution period are entitled to a pro-rata share of the distributable income (if any) for that period based on the number of Units held in the Fund at the end of the distribution period. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity.

Distributions will generally be paid within fifteen (15) Business Days of the end of the distribution period to which they relate.

The amount of the distribution paid by the Fund will vary from period to period, and there may be periods when the Fund will not pay a distribution. The Responsible Entity may, in its discretion, change the duration of a distribution period for the Fund (provided that distribution periods cannot be longer than one (1) year).

Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform.

Distributions can only be paid electronically and the Fund will not pay distributions by cheque.

#### 3.2 Tax statement

The Responsible Entity will, as soon as reasonably practicable after the end of each financial year, issue to each Investor who received an entitlement to the distributable income of the Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income of the Fund to which the Investor became entitled.

#### 3.3 Distribution reinvestment plan

The Distribution Reinvestment Plan (DRP) is a convenient way for you to increase your holding of Units by allowing you to automatically reinvest all or part of your cash distributions as additional Units, without incurring brokerage, commissions or other Transaction Costs. The DRP is not available to Investors in the Fund with registered addresses outside Australia and New Zealand.

If you wish to participate in the DRP, you must either:

- a. complete and lodge the DRP Electronic Election by logging into your holding on the Link Market Services Investor Centre website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au); or
- b. complete the DRP Application Form which is available from the Unit Registry and return it to the Unit Registry.

If you do not nominate your preferred distribution method, this will be taken to be a direction to reinvest distributions as part of the DRP. If you do not wish to participate in the DRP, you are required to make a selection to pay your distributions in the form of cash distributions.

## 4. Risks

All investments carry risk. Risks can be managed, however they cannot be completely eliminated. It is important to understand that returns are not guaranteed and there is always the chance that:

- the value of your investment will go up and down;
- investment returns will vary, and future returns may be different;
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- laws affecting your investment in a managed investment scheme may change over time.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your overall tolerance to risk.

The market price and NAV per Unit can fluctuate within a wide range. When considering an investment in the Fund, personal tolerance for fluctuating market values should also be taken into account.

The most common risks associated with investing in the Fund are described below, but there could be other risks that affect the performance of the Fund. The discussion of risks below is general in nature and should not be relied upon as personal financial product advice.

PIML and Perennial Value do not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the Fund could lose money over short or long periods.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in the Fund fits into your overall investment portfolio.

### 4.1 Risks of investing in the fund

The risks, in no particular order, that may affect the value of your investment and the distributions paid by the Fund include:

#### **Investment objective risk**

There is a risk that the Fund will not meet its investment objective.

#### **Market risk**

Market risk is the risk that the NAV of a fund will fluctuate as a result of fluctuations or changes in the market prices of the securities held by that fund and the financial markets as a whole. Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. Perennial's careful analysis and detailed research in combination with diversified holdings, aims to minimise this risk.

#### **ASX market risk**

The ability to buy and sell Units on ASX could be limited and may impact the liquidity of the Units. No trading will occur during any period where ASX suspends trading of the Units.

#### **Concentration risk**

When investments are concentrated in a smaller number of securities than the broader Benchmark Index, the Unit price may be more volatile than the return of the Benchmark Index. The Fund has both security and sector limits relative to the Benchmark Index which aim to manage this risk by ensuring satisfactory diversification.

#### **Company or security-specific risk**

A number of factors can adversely affect the value of a specific security in which the Fund invests and therefore impact the Fund. Perennial Value's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.

#### **Liquidity of investments risk**

If a security cannot be bought or sold quickly enough to reduce or minimise a potential loss, the Fund may experience difficulty satisfying commitments associated with financial instruments. The risk management guidelines adopted by Perennial Value are designed to minimise liquidity risk through applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.

#### **ASX liquidity risk**

The liquidity of trading in the Units on the ASX may be limited. This may affect an Investor's ability to buy or sell Units.

Investors will not be able to purchase or sell Units on the ASX during any period that ASX suspends trading of Units in the Fund. Further, where trading in the Units on the ASX has been suspended for five (5) consecutive Business Days, the availability of the Fund's off-market redemption facility will be subject to the provisions of the Constitution.

#### **Currency and interest rate risk**

Fund assets will be denominated in AUD. Changes in interest rates and exchange rates may impact economic conditions across the market and, thus, may affect stock valuations both positively and negatively.

#### **Derivative risk**

The Investment Manager may use derivatives to control the various risks associated with investing by modifying the exposure to particular assets, asset classes or currencies. Most commonly, derivatives are used for hedging, income generation and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements over time. Derivatives may also be used by the Investment Manager as an alternative to investing in physical assets because of their cost and liquidity efficiency. Gains or losses can result from

investments in derivatives. In addition to any risk associated with the underlying asset (or index) for which a derivative is valued, derivative prices are affected by other factors including: market liquidity; interest rates; and counterparty risk. Perennial seeks to mitigate the risks through a range of risk management strategies including the use of limits on positions.

### **Investment Manager risk**

Is the risk that the Fund's investment objective will not be achieved and/or it may underperform the Benchmark Index or may underperform other investment managers in the same asset class. The risk is mitigated by the active management of the Fund's assets.

### **Responsible Entity risk**

There is a risk that the Fund could terminate, that fees or expenses could change or that the Responsible Entity could be replaced as the responsible entity for the Fund. We aim to keep responsible entity risk to a minimum by acting in your best interests and ensuring compliance with legislative requirements.

### **Market Making risk**

Macquarie acts as Market Maker in the Units on behalf of the Fund. There is a risk that the Fund may suffer a cost as a result of these market making activities. This in turn may adversely affect the NAV or iNAV of the Fund. Such a cost could be a result of an error in execution of market making activities or in how Units are priced when traded on ASX. Macquarie has the discretion to increase the spread, within the agreed parameters between the Market Maker and the Responsible Entity, at which it makes a market and also has the right to cease making a market subject to its obligations under the AQUA Rules and ASX Operating Rules.

### **Counterparty risk**

Counterparties used in connection with the Trust's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Trust's custodian. Default on the part of a counterparty could result in financial loss to the Trust.

### **Cyber risk**

There is a risk of fraud, data loss, business disruption or damage to the information of the Trust or to investors' personal information as a result of a threat or failure to protect this information or data.

### **Other risks**

Managed investment schemes are also subject to external macroeconomic risks in that circumstances beyond our control may prevent us from managing the Fund in accordance with its investment strategy. These circumstances may include strikes or industrial disputes,

fires, war, civil disturbances, terrorist acts, state emergencies and epidemics.

Other risks that are specific to an investment in the Fund include the below:

### **Tax risk**

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect. As the circumstances of each Investor are different, the Responsible Entity strongly recommends that Investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units. A general summary of the tax treatment of holding Units is set out in Section 8 of this PDS.

### **Fund risk**

There is a risk that the Fund could terminate, that fees or expenses could change or that the Responsible Entity may not be able to continue to act, for example if it loses its AFSL (in which case it could be replaced as responsible entity of the Fund or the Fund could be wound up). Any replacement responsible entity might achieve different results for Investors, positive or negative, than would otherwise be the case. There is also a risk that investing in the Fund may give a different result than investing directly into the constituents or assets that make up the Fund's underlying Index.

### **Operational risk**

The Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as the failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers may also adversely affect the operation and performance of the Fund.

### **Personnel risk**

The skill and performance of the Responsible Entity or the Investment Manager can have a significant impact on the investment returns of the Fund. Changes in key personnel and resources of the Responsible Entity or the Investment Manager may also have a material impact on investment returns on the Fund.

### **Pooled investment scheme risk**

The market prices at which the Fund is able to invest inflows, or sell assets to fulfil outflows, may differ from the prices used to calculate the NAV per Unit. Investors in the Fund may therefore be impacted by the Investors entering and exiting the Fund. The impact will depend on the size of inflows or outflows relative to the Fund, and on the price volatility of the securities in which the Fund invests. Inflows and outflows may also affect the taxable income distributed to an Investor during a financial year.

### **iNAV risk**

The iNAV published for the Fund is indicative only, it may not be up to date and may not reflect the true value of a Unit.

## Trading risk

In certain circumstances, the ASX may suspend trading of the Units of the Fund and in that event Investors would not be able to buy or sell Units of that Fund on the ASX. In these circumstances, the Responsible Entity may suspend the application and redemption process. There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices, such as the suspension or restriction of trading in securities that form part of the Index. This may cause the Fund's Units to be suspended from trading on the ASX.

The ASX also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund. The Responsible Entity may, in accordance with the Constitution and provisions of the Corporations Act, elect to terminate the Fund for any reason including, if Units cease to be quoted on the ASX. Information about the AQUA Rules applicable to the quotation of Units in the Fund is set out in Section 1.3 of this PDS.

## Liquidity risk

Although the Units will be quoted under the AQUA Rules of the ASX, there can be no assurances that there will be a liquid market for Units, and an Investor's ability to buy or sell Units may be restricted. Although the Responsible Entity has appointed a Market Maker for the Units, to act as agent on behalf of the Fund to assist in maintaining liquidity for the Fund on the ASX, the Responsible Entity cannot guarantee this service will be available at all times and in some circumstances the Market Maker may be unable to provide these services (such as where there are operational disruptions, market disruptions or unusual conditions, or other events set out in the ASX Operating Rules). Additionally, there is the risk that one or more securities or other assets held by the Fund may be difficult or impossible to sell, preventing the Fund from closing out its position or rebalancing in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions. A lack of liquidity could potentially result in the suspension of withdrawals, which may cause the Fund's Units to be suspended from trading on the ASX.

## Settlement risk

The application and redemption processes associated with the issue or redemption of Units are subject to settlement procedures through CHESS. The Fund is exposed to some risk if a market participant fails to comply with its settlement obligations. These risks are mitigated by the fact that market participants are subject to usual ASX trading practices including ASX fail fees. The Fund may also suffer loss if a

market participant fails to deliver the application consideration for Units, or redeliver Units in relation to a redemption, by the settlement time and the Fund has entered into transactions in reliance on delivery occurring.

## Trading price of Units may differ from NAV per Unit risk

As with any exchange traded fund, it is possible that the trading price of Units on the ASX may differ from the NAV per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, Investor confidence, the availability of Market Maker services during the course of the trading day and the buy-sell spread applied by a Market Maker. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the NAV per Unit. If the application or redemption facility for the Fund is closed on a particular day, the trading price might diverge further from the NAV per Unit.

## Changes in law and regulatory risk

There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on the Fund or on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

## Conflicts of interest risk

A conflict might arise between the Fund and Investors buying or selling Units from the Fund on the ASX as the Fund may benefit from its market making activities. The Responsible Entity maintains a conflicts of interest policy to ensure that it manages its obligations to the Fund and its Investors such that any conflicts are managed fairly.

## 5. How to invest in the Fund

### 5.1 Purchasing Units on market

Investors can invest in the Fund by purchasing Units on the ASX through a stockbroker or share trading account. There is no minimum number of Units Investors can buy on the ASX. The purchase of Units on-market is settled through the CHESS settlement service, and Investors do not need to complete any application forms.

The cost of investing in the Fund on-market will be the price at which you purchase Units on the ASX, plus any brokerage fees you incur where the purchase price will be the prevailing market price for the purchase of Units at the time of the transaction. Investors can purchase additional Units on the ASX at any time, through a stockbroker or share trading account.

Investors do not have a right to a cooling off period for Units purchased on the ASX.

### 5.2 Selling Units on market

Investors can sell Units on the ASX through a stockbroker or share trading account, without completing any forms. Proceeds from any sale of Units will be delivered through the ASX CHESS settlement service. An Investor's exit price will be the price at which the Units were sold on ASX, less any brokerage fee that is incurred.

There is no minimum number of Units Investors can sell on the ASX.

The Responsible Entity has appointed Macquarie as the Market Maker to provide liquidity to Investors on the ASX by acting as a buyer and seller of Units. At the end of each Business Day, the Market Maker will create or cancel Units by applying for or redeeming its net position in Units bought or sold on the ASX.

The liquidity provided by the Market Maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the Market Maker to create and redeem Units. See Section 5.3 of this PDS for more information on off-market withdrawal rights and the risks associated with market making under Section 4.

### 5.3 Off market withdrawal rights

In the event that trading in the Fund's Units on the ASX has been suspended for five (5) consecutive ASX Business Days, Investors may be able to apply to PIML directly to make an off-market withdrawal of their investment from the Fund. Investors can request a withdrawal form by contacting the Unit Registry.

The off-market withdrawal process, including the calculation of the NAV per Unit, applies only when the Fund is 'liquid'

(within the meaning given to that term in the Corporations Act). Where the Fund ceases to be liquid, Units may only be withdrawn pursuant to a withdrawal offer made to all Investors in the Fund in accordance with the Constitution and the Corporations Act. PIML is not obliged to make such offers. Where the Fund is not liquid, Investors do not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. Investors will be notified in writing of any changes to their withdrawal rights.

There may be other circumstances where off-market withdrawals from the Fund are suspended and Investors may have to wait a period of time before they can make a withdrawal.

Off-market withdrawals from the Fund may be suspended for up to twenty-eight (28) days including where:

- it is impracticable for PIML, or PIML is unable, to calculate the NAV of the Fund, for example, because of financial market disruptions or closures;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in PIML's opinion, result in remaining Investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of Units held;
- the quotation of Units on the ASX is suspended, halted or revoked;
- in respect of any period of five (5) consecutive Business Days members request the withdrawal of a number of Units that in aggregate represent more than 10% of the number of Units in issue, the Responsible Entity may in its discretion determine that each withdrawal request made in that period (each an "original withdrawal request") must be and be deemed to be five (5) separate withdrawal requests each for a one-fifth portion of the total number of Units in the relevant original withdrawal request;
- PIML reasonably considers it would be in the interests of Investors, or it is otherwise permitted by law;
- a redemption would cause the Responsible Entity to breach any law, regulation or obligation under which it operates; or
- the Responsible Entity is allowed to do so by any form of ASIC relief or otherwise permitted by law.

No Units may be issued or withdrawn during such periods of suspension.

## 6. Fees and other costs

### 6.2 Consumer advisory warning

<b>Did you know?</b>	<p>Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.</p> <p>For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.</p>
<b>To find out more</b>	<p>If you would like to find out more, or see the impact of the fees based on your own circumstances, the <b>Australian Securities and Investments Commission (ASIC) website (<a href="http://www.moneysmart.gov.au">www.moneysmart.gov.au</a>)</b> has a managed funds fee calculator to help you check out different fee options.</p>

### 6.3 Fees and Costs Summary

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in Section 8 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Perennial Income Generator Fund (Managed Fund)		
Type of Fee or Cost <sup>1</sup>	Amount	How and when paid
<b>Ongoing annual Fees and Costs<sup>2</sup></b>		
<b>Management Fees and Costs</b> The fees and costs for managing your investment	Estimated to be 0.80% p.a. of Fund's NAV comprised of: <ol style="list-style-type: none"> <li>1. Investment Management Fee: 0.65% p.a.:</li> <li>2. Expense Recovery: 0.15% p.a.<sup>3</sup></li> <li>3. Indirect Costs: Nil.<sup>4</sup></li> </ol>	<p>The Fund's Investment Management Fee is 0.65% p.a. of the Fund's NAV, calculated daily. The Investment Management Fee is deducted from the assets of the Fund, is paid monthly in arrears to PIML and is reflected in the Fund's NAV per Unit.</p> <p>The Expense Recovery of 0.15% p.a. of the Fund's NAV accrues daily and is paid monthly to PIML from the assets of the Fund. The Expense Recovery is reflected in the Fund's NAV per Unit.</p> <p>Indirect Costs are a reasonable estimate of any certain costs incurred within the Fund that reduce returns. Indirect Costs will be deducted from the assets of the Fund as and when incurred.</p>
<b>Performance Fees</b> Amounts deducted from your investment in relation to the performance of the Fund	Nil.	Not Applicable.
<b>Transaction Costs</b> The costs incurred by the Fund when buying or selling assets	0.37% p.a. <sup>5</sup>	Transaction Costs are not covered by the buy/sell spread, they are instead paid out of the assets of the Fund at an additional cost to you and are reflected in the Fund's NAV per unit.

Member activity related Fees and Costs (fees for services of when your money moves in or out of the Fund)		
<b>Establishment Fee</b> The fee to open your investment	Nil.	Not Applicable
<b>Contribution Fee</b> The fee on each amount contributed to your investment	Nil.	Not Applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the Fund	Nil.	Buy-sell spreads do not apply when buying/selling Units on the exchange.
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil.	Not Applicable
<b>Exit Fee</b> The fee to close your investment	Nil.	Not Applicable
<b>Switching Fee</b> The fee for changing investment options	Nil.	Not Applicable

<sup>1</sup> The Investment Management Fee may be negotiated with wholesale clients. <sup>2</sup> The fees are inclusive of the GST and take into account any expected RITCs. Where fees have been quoted to two (2) decimal places, the actual fee may have been rounded up. <sup>3</sup> This excludes any unusual or non-recurrent expenses which will be deducted from the Fund's assets as and when incurred. <sup>4</sup> Indirect Costs are calculated with reference to the relevant costs incurred during the financial year ending 30 June 2023. Based on information available as at the date of this PDS, the Fund did not incur any Indirect Costs in the past financial year, although the Fund may incur these costs in the future. <sup>5</sup> Transaction Costs are shown based on the Transaction Costs incurred in the previous financial year.

## 6.4 Example of annual fees and costs for the Fund

The table below gives an example of how ongoing annual fees and costs for the Fund can affect your investment over a one (1) year period. You should use this table to compare this product with other products offered by managed investment schemes.

<b>Example – Perennial Income Generator Fund (Managed Fund)</b>		
<b>Balance of \$50,000 with a contribution of \$5,000 during the year</b>		
<b>Contribution Fee</b>	Nil.	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b>		
<b>Management Fees and Costs</b>	0.80% p.a.	And, for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$400</b> each year.
<b>Performance Fee</b>	Nil.	And, you will be charged or have deducted from your investment <b>\$0</b> in Performance Fees each year.
<b>Transaction Costs</b>	0.37%	And, you will be charged or have deducted from your investment <b>\$185</b> in Transaction Costs.
<b>EQUALS</b>		
<b>Cost of the Fund:</b> If you had an investment of \$50,000 at the beginning of the year and you invested an additional \$5,000 during the year, you will be charged fees and costs of <b>\$585</b> . <sup>1</sup> <b>What it costs you will depend on the fees you negotiate with the Fund.</b>		

<sup>1</sup> Additional fees may apply. This example assumes the \$5,000 contribution occurs at the end of the first year, therefore Management Fees and Costs are calculated using the \$50,000 balance only. This example is based on the fees charged in the previous financial year and as such, assumes no Indirect Costs are payable.

## 6.5 Additional explanation of Fees and Costs

The ongoing annual Management Fees and Costs comprise:

### Investment Management Fee

The Investment Management Fee of 0.65% p.a. of the NAV of the Fund is payable to the Responsible Entity for managing the assets of the Fund and overseeing the operations of the Fund.

The Investment Management Fee is not deducted from your account. Instead, it accrues daily within the Fund's NAV price and is deducted from the assets of the Fund. The Investment Management Fee is paid to PIML monthly in arrears. Out of this fee, the Responsible Entity pays a portion to Perennial Value for managing the assets of the Fund.

### Expense Recovery

The Responsible Entity is entitled to recover the expenses it reasonably incurs in the proper performance of its duties as the Responsible Entity of the Fund. Expenses such as custody charges, administration and accounting costs, registry fees, audit fees and tax fees will be recovered via the Expense Recovery, which will not exceed 0.15%p.a. of the Fund's NAV in any one financial year. Any such expenses in excess of the cap will be borne by the Responsible Entity from its own resources, on the basis that the Responsible Entity has the right to be reimbursed for them at a later time, provided that the cap will not be exceeded at the time of reimbursement.

In addition to the Expense Recovery, if any unusual or non-recurrent expenses are incurred, such as the expenses associated with holding a unitholder meeting, PIML reserves its right to deduct these expenses from Fund's assets as and when incurred.

The Expense Recovery accrues daily and will be paid to PIML monthly. The amount included in the table of Fees and Costs is calculated with reference to the relevant costs incurred during the financial year ending 30 June 2023, and is based on no unusual or non-recurrent expenses being incurred.

### Indirect costs

Indirect Costs are the costs incurred in managing the Fund's assets which directly or indirectly reduce the return on the Fund. Indirect Costs include any amounts not charged as a fee that the Responsible Entity knows, or may reasonably estimate, has reduced or will reduce (directly or indirectly) the income of the Fund, or the value of the Fund's assets. It is estimated that there are no additional Indirect Costs associated with investing in the Fund. However, if unusual or non-recurrent expenses are incurred, the Responsible Entity will deduct these from the Fund's assets. Indirect Costs do not include Transaction Costs and may differ from the current financial year in the future. (see 'Transactional Costs' section below).

### Stockbroker fees

Investors may incur customary brokerage fees and commissions when buying and selling Units on the ASX, as for any listed or quoted security. Please consult a stockbroker for more information in relation to their fees and charges.

### Can fees and costs change and what are the maximums?

Yes, fees and costs can change subject to maximums in the Fund's Constitution. The Constitution of the Fund limits the amount of the Responsible Entity's fee to a maximum of 5% p.a. of the Fund's NAV (plus GST). The Constitution of the Fund provides for the following maximum application and redemption fees:

- a maximum application fee of 5% of the aggregate issue price of the Units applied for (plus GST);
- a maximum redemption fee of 5% of the aggregate withdrawal amount of the relevant Units (plus GST).

As at the date of this PDS, the Responsible Entity does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time. Any increase in the fees and costs for the Fund will be announced to the ASX via the Market Announcements Platform at least thirty (30) days before it occurs.

### Transactional and Operational Costs

In managing the assets of the Fund, Transaction Costs such as brokerage, settlement, clearing, stamp duty, and the difference between the actual price paid or received for acquiring or disposing of an asset and its actual value at that time may be incurred by the Fund. These costs are generally incurred as a result of applications or redemptions from the Fund or when the Fund sells or buys assets as part of its day-to-day trading activities. Transactional and Operational Costs are not charged to you as a fee, however, they will have an effect on the value of your investment by reducing the NAV of the Fund.

The total Transaction and operational Costs of the Fund for the year ending 30 June 2023 was 0.37% of the Fund's Net Asset Value. Based on an average account balance of \$50,000 over a one year period, this estimate of Transactional and Operational Costs represents approximately \$185. In practice, your incurred Transaction and Operational Costs will vary from year to year based on your investment balance, the Fund's volume of trading and the number and value of applications processed.

### Differential fees

A rebate of part of the Responsible Entity fee may be negotiated with Investors who are wholesale clients for the purposes of section 761G of the Corporations Act.

The amount of any fee rebate is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions by payments from its own resources. Further information can be obtained by contacting the Responsible Entity.

**Adviser remuneration**

No commissions will be paid by us to financial advisers. Additional fees may be paid by you to your financial adviser if one is consulted. You should refer to the Statement of Advice they give you in which details of the fees are set out.

## 7. Additional information

### 7.1 The role of certain entities in regard to the Fund

There are a number of parties in addition to the Responsible Entity involved in the ongoing operation and administration of the Fund:

#### Custodian and Administrator

The Custodian provides custodial services to the Responsible Entity, including holding the assets of the Fund. The Custodian may, from time to time, appoint sub-custodians. The Custodian has a limited role and has no obligation to monitor whether the Responsible Entity is complying with its obligations.

As of the date of this PDS, the Custodian is:

HSBC Bank Australia Limited  
(ABN 48 006 434 162)

The Administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing the Fund's assets and liabilities, calculating the Issue Price and Withdrawal Amount, and taxation and other services.

As of the date of this PDS, the Administrator is:

Apex Fund Services Pty Limited  
(ABN 81 118 902 891)

#### Unit Registry

As for any quoted security, the role of the registry is to keep a record of the Investors in the Fund. This includes details such as the quantity of Units held, tax file numbers (if provided) and details of the DRP participation. The Responsible Entity may change the registry provider, without prior notice to Investors.

As of the date of this PDS, the Registry is:

Link Market Services Limited  
(ABN 54 083 214 537)

The Responsible Entity may change the Custodian, Administrator and Unit Registry without prior notice to Investors.

#### Market Maker

The role of a Market Maker is to provide liquidity in the market for Units and to satisfy supply and demand for Units. It does this by:

- subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units during a significant part of the trading day; and
- creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms that:

- have experience in making markets in exchange-traded securities in Australia;
- have the necessary skill and expertise to perform market making functions; and
- are ASX participants (or trade through an ASX participant).

To qualify for admission as an ASX participant, a company must meet admission requirements set out in the ASX Operating Rules, which require the company to hold an AFS Licence that authorises it to carry on its business as a market participant and to satisfy ASX of various matters including organisational competence and business integrity.

Generally, arrangements with a Market Maker will specify certain permitted circumstances in which the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other circumstances as permitted under the ASX Operating Rules, the suspension or rejection by the Responsible Entity of applications for Units or redemption requests, or the Market Maker not having ASIC relief to allow short selling of Units). If the Market Maker defaults on its obligations, the Responsible Entity may seek to replace the Market Maker, although the arrangements with the Market Maker may limit or exclude any liability on the part of the Market Maker. Subject to the AQUA Rules and agreements with the Market Maker, the Responsible Entity may replace or terminate the Market Maker. The Responsible Entity may determine to no longer appoint Market Makers in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

As of the date of this PDS, the Market Maker is:

Macquarie Securities (Australia) Limited  
(ABN 58 002 832 126)

#### Auditor

The Responsible Entity has an obligation imposed upon it under the Corporations Act to appoint an auditor for the Fund and the Compliance Plan. PIML has engaged KPMG as the independent auditor.

#### Monitoring of service providers

The Responsible Entity has procedures in place to monitor the performance of those service providers to whom functions have been outsourced.

#### PIML as the Responsible Entity

Level 27, 88 Phillip Street  
Sydney NSW 2000  
[www.perennial.net.au](http://www.perennial.net.au)

1300 730 032 (Australia)  
+612 8823 2534 (NZ)

PIML, as the Responsible Entity, is responsible for the management and administration of the Fund. The Responsible Entity holds an Australian Financial Services Licence (AFSL 275101). The powers and duties of the Responsible Entity are set out in the Constitution of the Fund, the Corporations Act and general trust law.

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

### **Perennial Value as the Investment Manager**

The Responsible Entity has appointed Perennial Value Management Limited as the Investment Manager of the Fund.

See Section 2 for more information on the Investment Manager and Section 7.15 for information on the terms of this agreement.

## **7.2 The Constitution**

The Fund is a registered managed investment scheme governed by a Constitution. Under the Constitution, the Responsible Entity has all the powers, it is possible to confer on a trustee as though it were the absolute owner of the Fund's assets and acting in its personal capacity.

The Constitution which addresses matters such as NAV per Unit, withdrawals, the issue and transfer of Units, Investor meetings, Investors' rights, the Responsible Entity's powers to invest, borrow and generally manage the Fund and the Responsible Entity's fee entitlement and right to be indemnified from the Fund's assets. The Responsible Entity may alter the Constitution if it reasonably considers the amendments will not adversely affect Investors' rights. Otherwise, the Responsible Entity must obtain Investors' approval at a meeting of Investors.

To the extent that any contract or obligation arises in connection with the acceptance by the Responsible Entity of an application or reliance on this PDS by Investors, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by the Responsible Entity with the approval of a special resolution of Investors, or without that approval if the Responsible Entity considers the variation or cancellation will not materially and adversely affect Investors' rights.

The Responsible Entity may retire or be required to retire as responsible entity (if there is a resolution passed by Investors of a majority by value of interests, vote for the Responsible Entity's removal). No units may be issued after the 80<sup>th</sup> anniversary of the date of the Constitution. The

Responsible Entity may exercise its right to terminate the Fund earlier.

Investors' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

The Responsible Entity may resolve at any time to terminate and liquidate the Fund in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated) the net proceeds will be distributed pro rata among all Investors according to the aggregate of the Redemption Price for each of the Units they hold in the Fund.

A copy of the Constitution of the Fund may be inspected by Investors at the Responsible Entity's office, during business hours. The Responsible Entity will provide an Investor with a copy of the Constitution upon request.

## **7.3 Compulsory Redemption**

The Responsible Entity may redeem some or all of an Investor's Units in the Fund in accordance with the Constitution or as permitted by law. This may occur where an Investor breaches their obligations to the Responsible Entity or where the Responsible Entity believes that the Units are held in circumstances which might result in a contravention of an applicable law or regulation.

## **7.4 Rights of an Investor**

A Unit confers a beneficial interest on an Investor in the assets of the Fund but does not otherwise confer an entitlement or interest in any particular part of the Fund or the assets of the Fund.

The terms and conditions of the Constitution are binding on each Investor and all persons claiming through them respectively as if the Investor were a party to the Constitution.

## **7.5 The Compliance Plan**

In accordance with the provisions of the Corporations Act, the Responsible Entity has prepared and lodged the Compliance Plan for the Fund with AISC. The Compliance Plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the Corporations Act and the Constitution of the Fund. A Compliance Committee has been established to oversee compliance with the Compliance Plan.

Each year the Compliance Plan, and the Responsible Entity's compliance with the Compliance Plan, will be independently audited, as required by the Corporations Act, and the auditor's report will be lodged with ASIC.

## **7.6 The Compliance Committee**

The Responsible Entity has established a Compliance Committee with a majority of members that are external to

the Responsible Entity. The Compliance Committee's functions include:

- monitoring the Responsible Entity's compliance with the Compliance Plans and reporting its findings to the Responsible Entity;
- reporting breaches of the Corporations Act or the Constitution to the Responsible Entity;
- reporting to ASIC if the Committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the Committee; and
- assessing the adequacy of the Compliance Plan, recommending any changes to the Responsible Entity.

## 7.7 Unit Pricing Policy

The Responsible Entity has documented its policy on how it exercises discretions when determining Unit prices for the Fund.

The Policy has been designed to meet the ASIC requirements and is available on request to all Investors and prospective Investors at no charge.

## 7.8 If you have a complaint

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact us on 1300 420 094 or write to:

Perennial Client Services

[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Responsible Entity  
Level 27, 88 Phillip Street,  
Sydney, NSW 2000

If a matter has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA by emailing [info@afca.org.au](mailto:info@afca.org.au), by calling 1800 931 678 (free call) or by writing to AFCA at GPO Box 3, Melbourne VIC 3001.

The dispute resolution process described in this PDS is only available in Australia and is not available in New Zealand.

## 7.9 Protecting your privacy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

The Responsible Entity is committed to respecting the privacy of an Investor's personal information. The Responsible Entity's privacy policy states how the Responsible Entity manages personal information. Some information must be collected for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006.

The Responsible Entity may provide personal information to an Investor's adviser if written consent is provided to the Responsible Entity. The Responsible Entity may disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing.

The Responsible Entity may provide an Investor's personal information to its service providers for certain related purposes (as described under the Privacy Act 1988), such as account administration and the production and mailing of statements. The Responsible Entity may also use an Investor's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Investors informed of the Responsible Entity's or its partners' products and services, or to their financial adviser or broker to provide financial advice and ongoing service.

The Responsible Entity will assume consent to personal information being used for the purposes of providing information on services offered by the Responsible Entity and being disclosed to market research companies for the purposes of analysing the Responsible Entity's Investor base unless otherwise advised. Investors may request access to the personal information held about them at any time and ask the Responsible Entity to correct this information if it is incomplete, incorrect or out of date.

To obtain a copy of the privacy policy, contact the Responsible Entity on 1300 730 032 (within Australia) or +61 3 8823 2534 (outside Australia).

## 7.10 Attribution managed investment trust regime

The Attribution Managed Investment Trust (AMIT) regime has been designed specifically for managed investment schemes, to provide certainty and flexibility to managed schemes and their investors.

PIML has made an irremovable decision election for all eligible Trusts to enter into the AMIT regime, which came into effect on 2 July 2017 (or from the commencement year for eligible Trusts that launched after 30 June 2018) on the basis that entry into the AMIT regime is in the investor's best interests. The constitution for each Trust complies with the AMIT regime.

the AMIT regime adequately deals with "unders" and "overs" and, facilitates and simplifies the distribution calculation process.

Under the AMIT regime:

- Each Trust will be treated as a fixed trust for income tax purposes, which provides certainty in relation to certain aspects of the tax treatment of the Trust.
- For income tax purposes, each Trust will be able to attribute amounts of income and tax offsets to unitholders on a fair and reasonable basis.

- Adjustments may be made to the cost base of a unitholder's interest in the relevant Trust, upwards or downwards.

## 7.11 Anti-money laundering (AML)/ counter terrorism financing (CTF)

The AML/CTF Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity, regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is enforced by AUSTRAC. However, both the issue of Units in the Fund and secondary trading of Units in the Fund are exempt from the AML Requirements by section 247(3) of the AML/CTF Act and Chapter 21 of the Anti-Money Laundering and Counter Terrorism Rules.

## 7.12 Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standards (CRS)

The Foreign Account Tax Compliance Act (FATCA) is a US tax law enacted by the U.S. Congress aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non-US investments or accounts. Australia has entered into an intergovernmental agreement (IGA) with the US to implement FATCA in Australia, via the Australian Taxation Administration Act 1953 (Cth), which is to be administered by the Australian Taxation Office (ATO). Under the IGA, Reporting Australian Financial Institutions will have identification and reporting obligations with regards to FACTA. For the avoidance of doubt, the Fund is a Reporting Australian Financial Institution under the IGA and the Fund intends to fully comply with its FATCA obligations as determined by the FATCA regulation, the IGA and any associated guidance from the ATO. The FATCA obligations imposed upon the Fund include, identifying and documenting the FATCA status of its Investors. The Fund must also report certain information on applicable Investors to the ATO, which will in turn report this information to the US Internal Revenue Service.

Similar to FACTA, the Common Reporting Standard (CRS) is a single, new global standard on Automatic Exchange of Information (AEOI). Under the CRS, participating jurisdictions will be required to obtain certain information concerning non-resident Investors held by financial institutions and exchange this information with other participating jurisdictions as of 1 July 2017. The Fund will be required to provide certain information to the ATO about non-Australian tax residents to comply with the terms of the reporting systems.

In the event the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity acting on behalf of the Fund will be required to compensate you for any such tax,

except in exceptional circumstances. PIML strongly advises that Investors consult with their tax advisor to understand any potential implications that the Fund's compliance with its FATCA/CRS obligations may have on their own personal and particular circumstances. PIML will not be liable for any loss suffered by an Investor arising from or as a result of the Fund complying with its FATCA/CRS obligations.

## 7.13 Other services

The Responsible Entity, in its personal capacity, or companies related to the Responsible Entity, may invest in or provide services to the Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length.

In the course of managing the Fund, the Responsible Entity may come across conflicts in relation to its duties to the Fund and its own interests. The Responsible Entity has internal policies and procedures in place to manage all conflict of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

## 7.14 Indicative NAV per Unit (iNAV)

As at the date of this PDS, the Responsible Entity intends to take all reasonable steps to make available, or may designate other persons to make available on its behalf, an estimated iNAV for the Fund no less frequently than every fifteen (15) minutes during an ASX Business Day. Such information will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day. As at the date of this PDS, the Responsible Entity has arranged for ICE Data Indices LLC (Australia) Pty Ltd (**ICE**) to calculate and publish the iNAV. The Responsible Entity expects that the iNAV for the Fund will be accessible from broker websites and other financial information services and at [www.perennial.net.au](http://www.perennial.net.au).

The iNAV calculations are estimates of the Net Asset Value per Unit calculated using market data. The iNAV price is a calculation of the value of a portfolio of assets that is indicative of the Fund's portfolio as at the open of trading on the relevant day based on quotes and last sale prices, less any liabilities of the Fund. Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available, in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV. No assurance can be given that any iNAV will be published continuously,

will be up to date or free from error. The publication of an iNAV is dependent on the availability of a suitable data provider and other factors.

## 7.15 Important statement for New Zealand Investors

The following disclosure is made to enable the Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Cth) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand Investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand ([www.fma.govt.nz](http://www.fma.govt.nz)). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## 7.16 Material contracts

The Responsible Entity has entered into (or will enter into prior to the date units are first issued in any Fund) a number of contracts in relation to the offer of the Fund, as set out below:

### Management agreement

PIML has appointed Perennial Value as the Investment Manager for the Fund. In performing the investment management functions, Perennial Value must comply with the investment guidelines issued by PIML from time to time and the investment objectives set out in this PDS as amended by PIML from time to time.

PIML may terminate the agreement without cause by giving at least five (5) Business Day's notice to Perennial Value and Perennial Value may terminate the agreement without cause by giving PIML at least twenty (20) Business Days' notice. PIML may also terminate the agreement for cause immediately.

Under the agreement, the parties give indemnities to each other consistent with market practice for a management agreement of this nature.

In consideration for performing its obligations under this agreement, PIML must pay Perennial Value the fees it receives for acting as the Investment Manager of the Fund, less withholdings required to meet expenses of the Fund and PIML's AFSL solvency requirements.

## 7.17 ASIC relief

### Ongoing disclosure relief

ASIC Class Order [CO13/721] exempts the Responsible Entity from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with section 675 of the Corporations Act as if the Fund is an unlisted disclosing entity and includes statements to this effect in any PDS for the Fund, to the effect that the Responsible Entity will comply with the continuous disclosure requirements of the

corporations Act as if the Fund was an unlisted disclosing entity.

## 7.18 Documents lodged with ASIC

The Responsible Entity is subject to certain regular reporting and disclosure obligations in relation to the Fund under the Corporations Act. Copies of documents in relation to the Fund may be obtained from, or inspected at, an ASIC office. Investors may obtain the following documents from the Responsible Entity:

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.

The Responsible Entity will send a requesting Investor a printed or electronic copy of any of the above documents free of charge within five (5) Business Days of the request.

## 7.19 No cooling off

There is no cooling off period in relation to the subscription for Units in the Fund. This means that once Units are purchased on the ASX, an Investor cannot decide to withdraw the application.

## 7.20 Indirect Investors

When an Investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the Investor's behalf. Consequently, the operator (or the custodian of the platform), and not the Investor as an indirect Investor, holds the Units and therefore has the rights of an Investor in the relevant Fund. For example, if an Investor is an indirect Investor, they will not have rights to attend and vote at Investor meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the Investor. For information about their investment, an Investor should contact their platform operator.

## 7.21 Information available from the Responsible Entity

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Fund and issuer of the Units. As part of the Fund's conditions of admission to trading status on ASX under the AQUA Rules, PIML has agreed to:

- Provide the iNAV as described in this PDS;
- Disclose the Fund's portfolio holdings on a monthly basis; and

- Make available half year and annual financial reports, distribution information and other required disclosures on the ASX Market Announcements Platform.

The following information can be obtained from us by visiting the website at [www.perennial.net.au](http://www.perennial.net.au) or by contacting Perennial on 1300 420 094:

- The daily NAV for the Fund;
- The daily NAV per Unit for the Fund;
- The iNAV per Unit for the Fund;
- The Responsible Entity's Unit Pricing Policy;
- The latest PDS for the Fund;
- The latest TMD for the Fund;
- Announcements made to the ASX;
- Information about distributions after they are declared;
- Annual and any half-year reports and financial statements for the Fund; and
- Details of any DRP.

## 7.22 Consents

All parties have given, and not before the date of this PDS, withdrawn their consent to the inclusion in the PDS of the statement concerning them in the form and context in which it is included. This consent is given on the basis that the parties have not authorised or caused the issue of the PDS and has not made any statement that is included in the PDS or any statement on which a statement made in the PDS is based. Such parties expressly disclaim and take no responsibility for any statements or omissions in the PDS. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given above.

## 8. Taxation

**Warning:** Investing in the Fund is likely to have tax consequences. Investors should obtain independent taxation advice that takes into account their specific circumstances regarding investing in the Fund.

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Fund for a potential Australian resident Investor. It does not take into account the specific circumstances of each person who may invest in the Fund. It should not be used as the basis upon which potential Investors make a decision to invest. As the circumstances of each Investor are different, the Responsible Entity strongly recommends that Investors obtain professional independent taxation advice relating to the tax implications of investing in and dealing in Units in relation to their own particular circumstances before making any investment decision.

The taxation information in this PDS has been prepared based on the Australian tax laws and administrative interpretations of such laws in effect as at the date of this PDS. Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Federal Commissioner of Taxation (Commissioner) or a Commissioner of State Revenue administers the law and interpretations may change at any time.

### Taxation of non-resident Investors

If a non-resident Investor is entitled to taxable income of the Fund, the Investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Responsible Entity in respect of your tax liability.

### Taxation reforms

The expected tax implications of investing in a Fund described in this tax disclosure may change as a result of changes in the taxation laws and interpretation of them by the Courts and/or the Australian Tax Office. Tax reform activity that affects trusts is generally ongoing. Investors should seek their own advice on the potential impact of any proposed legislative changes or judicial developments. The Responsible Entity will also closely monitor any impact or developments in this regard.

### Goods and Services Tax (GST)

An investment in the Fund will not be subject to goods and services tax.

### Stamp Duty

As the Units will be listed on the ASX, stamp duty should not be payable in any State or Territory on the issue or transfer of a Unit. This is provided that all of the Units are quoted on the ASX at all relevant times (including for example the date of issue of a Unit) and an Investor does not, either alone or

together with related persons, acquire 90% or more of the issued Units of the Fund.

### Tax File Number (TFN) or Australian Business Number (ABN)

You are not required to quote your TFN or, if you have one, an ABN, or claim an exemption from providing a TFN. However, if a TFN or ABN is not provided, or an exemption is not claimed, PIML is required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy. If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN.

### Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act (**FATCA**), the Responsible Entity is required to collect and report information about certain Investors identified as U.S. tax residents or citizens. In order to comply with its FATCA obligations, the Responsible Entity may request Investors to provide certain information (**FATCA Information**).

To the extent that all FATCA Information is obtained, the imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities shall not apply. Although the Responsible Entity attempts to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of the withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, the Responsible Entity may provide FATCA Information to the Australian Taxation Office (**ATO**). Please be aware that the Responsible Entity may use an Investor's personal information to comply with FATCA and may contact an Investor if additional information is required.

### Common Reporting Standard

The Common Reporting Standard (**CRS**) requires the Responsible Entity to collect certain information about an Investor's tax residence. If an Investor is a tax resident of any country outside Australia, the Responsible Entity may be required to pass certain information about the Investor (including account-related information) to the ATO. The ATO may then exchange this information with the tax authorities of another jurisdiction or jurisdictions, pursuant to intergovernmental agreements to exchange financial account information.

Although the CRS does not involve any withholding tax obligations, please be aware that the Responsible Entity may use an Investor's personal information to comply with the CRS obligations and may contact an Investor if additional information is required.

## 9. Glossary

These definitions are provided to assist Investors in understanding some of the expressions used in this PDS:

**AFSL** means an Australian Financial Services Licence issued by ASIC.

**AML/CTF Act** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), as supplemented, amended, varied or replaced from time to time.

**AQUA Product** has the meaning given in the Operating Rules and AQUA Products is to be construed accordingly.

**AQUA Rules** means:

- a. Schedule 10A of the Operating Rules and Procedures;
- b. such other rules that govern the quotation of AQUA Products; and
- c. such other rules that govern the transfer of AQUA Products, as amended from time to time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange Limited.

**ASX Business Day** has the meaning given to the term "Business Day" in the ASX Settlement Rules.

**ASX Listing Rules** means the ASX Listing Rules published by the ASX, as supplemented, amended, varied or replaced from time to time.

**ASX Operating Rules** means the ASX Operating Rules published by the ASX, as supplemented, amended, varied or replaced from time to time.

**ASX Settlement Rules** means the ASX Settlement Operating Rules published by ASX as supplemented, amended, varied or replaced from time to time.

**ASX Trading Day** means the day during which securities are traded on ASX. Weekends, and most (but not all) Public Holidays are not ASX Trading Days.

**AMIT** means the Attribution Managed Investment Trust tax regime.

**AUD** means the lawful currency of the Commonwealth of Australia.

**Australian Financial Complaints Authority (AFCA)** means the ombudsman who investigates and resolves legitimate complaints about investments and financial products.

**Australian Securities and Investment Commission (ASIC)** means the Australian Securities and Investments Commission or any Government Agency which replaces it or performs its functions.

**Australian Tax Office (ATO)** means the Australian Tax Office or any Government Agency which replaces it or performs its functions.

**Australian Transaction Reports and Analysis Centre (AUSTRAC)** means the Australian Transaction Reports and Analysis Centre or any Government Agency which replaces it or performs its functions.

**Authorised Participant** means a person who has executed an Authorised Participant agreement with PIML.

**Benchmark, Benchmark Index or Index** means the S&P/ASX Small Ordinaries Accumulation Index.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for general banking business in Melbourne.

**Clearing House Electronic Sub Register System (CHES)** means the Clearing House Electronic Sub Register System established and operated in accordance with the ACH Clearing Rules.

**Compliance Plan** means the arrangement that sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund.

**Constitution** means the constitution establishing the Fund dated 23 May 2019, and as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Custodian** means the entity that holds the assets of the Fund on behalf of the Responsible Entity.

**ETF** means Exchange Traded Fund.

**ETMF** means Exchange Traded Managed Fund.

**Foreign Account Tax Compliance Act (FATCA)** means the Foreign Account Tax Compliance Act, as supplemented, amended, varied or replaced from time to time.

**Fund** means the Perennial Income Generator Fund (Managed Fund) or EIGA.

**Government or Government Agency** means, whether foreign or domestic:

- a. a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- b. a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

**GST** means goods and services tax.

**GST Act** means the A New Tax System (Goods and Services) Tax Act 1999 (Cth) as amended or varied from time to time.

**Investment Manager** means Perennial Value Management Limited (ABN 22 090 879 904, AFSL 247293).

**Investor** means the person recorded in the register as the holder of a Unit (including persons jointly registered). Indicative NAV or iNAV means the estimated NAV per Unit that will be published on the Website during the ASX Trading Day to take into account movements in security prices during that ASX Trading Day.

**Issue Price** means the price at which a Unit is issued and is determined in accordance with the Constitution.

**Liabilities** means the liabilities of a Fund including any provision which the Responsible Entity decides should be taken into account in accordance with generally accepted accounting principles applicable in Australia in determining the liabilities of a Fund, but excluding any liabilities:

- a. to applicants for Units in respect of application money or property in respect of which Units have not yet been issued; or
- b. to Investors, arising by virtue of the right of Investors to request redemption of their Units or to participate in the distribution of the assets on termination of the Scheme.

**Liquid** or **Liquidity** has the same meaning as in the Corporations Act.

**Macquarie** means Macquarie Securities (Australia) Limited (ABN 58 002 832 126).

**Management Fee and Costs** means the fees and costs charged by the Fund for the management of an investment in the Units, as set out in Section 6 of this PDS.

**Market Announcements Platform** means the Market Announcements Platform of the ASX.

**Net Asset Value** or **NAV** means the value of the Fund's assets minus the value of its liabilities.

**Net Asset Value per Unit** or **NAV per Unit** means the Net Asset Value of the Fund divided by the number of Units on issue.

**Offer** means the invitation made to the public under this PDS.

**Operating Rules** means the ASX Operating Rules published by the ASX.

**PIML, Responsible Entity, we, our** or **us** means Perennial Investment Management Limited (ABN 13 108 747 637, AFS Licence 275101).

**Privacy Act 1988 (Cth)** means the Privacy Act 1988 (Cth) as supplemented, amended, varied or replaced from time to time.

**Product Disclosure Statement** or **PDS** means this Product Disclosure Statement as amended or supplemented from time to time.

**RITC means reduced input tax credits.**

**TMD** means the Target Market Determination.

**Transaction Costs** means the costs incurred by the Responsible Entity and payable by a Investor in dealing with

the assets of a Fund on behalf of a Investor, and include commissions, brokerage costs.

**Tax** means all kinds of taxes, duties, imposts, deductions, withholding taxes and charges imposed by a government including GST or any amount recovered from the Responsible Entity by way of reimbursement of GST or any amount included either expressly or impliedly in an amount paid or payable by the Responsible Entity on account of GST, together interest and penalties imposed or levied by a Government or Government agency.

**Unit** or **Units** means the securities on offer under this PDS.

**Unit Registry** means Link Market Services Limited (ABN 54 083 214 537), being the entity that will operate the registry for the Units.

**Website** means [www.perennial.net.au](http://www.perennial.net.au)

**Withdrawal Amount** means the withdrawal price of Units, calculated in accordance with the Constitution.

**Valuation Time** means a time determined by the Responsible Entity as at which the Responsible Entity calculates the Net Asset Value.