



Perpetual Wholesale Funds

Supplementary Product Disclosure Statement

number 1 dated 14 September 2011

for Product Disclosure Statement

issue number 6 dated 1 June 2011

Issued by

Perpetual Investment Management Limited

ABN 18 000 866 535

AFSL 234426

About this Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement number 1 (SPDS1) is to be read in conjunction with Product Disclosure Statement issue number 6 dated 1 June 2011 (PDS) for Perpetual Wholesale Funds.

From 14 September 2011, the Product Disclosure Statement for Perpetual Wholesale Funds comprises:

- the PDS
- this SPDS1.

Purpose of this SPDS1

The purpose of this SPDS1 is to:

- discontinue offering investment in Perpetual Wholesale Monthly Income Fund (page 7 of the PDS)
- clarify the basis on which management costs are charged for Perpetual Wholesale SHARE-PLUS Long-Short Fund (page 10 of the PDS)
- broaden the objective and amend the investment approach for Perpetual Wholesale International Share Fund (page 11 of the PDS)
- update disclosure to allow for the allocation to Australian shares in the following diversified Funds to potentially include investment into underlying funds that take short positions:
 - Perpetual Wholesale Conservative Growth Fund (page 11 of the PDS)
 - Perpetual Wholesale Diversified Growth Fund (page 12 of the PDS)
 - Perpetual Wholesale Balanced Growth Fund (page 12 of the PDS).

Funds profiles

Perpetual Wholesale Monthly Income Fund

The profile for Perpetual Wholesale Monthly Income Fund on page 7 of the PDS is deleted.

All other references to Perpetual Wholesale Monthly Income Fund throughout the PDS are also deleted.

Perpetual Wholesale SHARE-PLUS Long-Short Fund

Management cost

The footnote 10 reference within the 'Management cost (pa)' for Perpetual Wholesale SHARE-PLUS Long-Short Fund on page 10 of the PDS is moved to outside the bracketed text as follows.

0.990% (plus performance fee)¹⁰

Footnote 10 on page 13 of the PDS is deleted and replaced with the following text.

10 The management cost percentage quoted is based on the Fund's gross asset value, which is the sum of both the Fund's long and short positions.

Perpetual charges the Fund a performance fee if its investment performance (as a whole) exceeds its performance hurdle and other conditions are met – see 'Performance fees' on page 17 of the PDS for details.

Perpetual Wholesale International Share Fund

Objective

The 'Objective' for Perpetual Wholesale International Share Fund in the table on page 11 of the PDS is deleted and replaced with the following text.

Aims to provide long-term growth through investment in international shares.

Investment approach

The 'Investment approach' for Perpetual Wholesale International Share Fund in the table on page 11 of the PDS is deleted and replaced with the following text.

The Fund primarily invests in publicly traded, or to be listed, global equity securities, including emerging markets.

The focus is on investing in stocks of companies the investment manager believes are solid but temporarily out-of-favour and provide above-average total return potential. The country and sector allocations within the Fund are a result of the stock selection process.

The currency exposure of the Fund is typically unhedged, although currency hedging may be used to protect investments at the discretion of the investment manager.

Derivatives may be used in managing the Fund.

Footnotes to Funds profiles

Footnote 16 on page 13 of the PDS is deleted and replaced with the following text.

- 16 The Fund gains its exposure to Australian shares by investing in an underlying fund/s which invest/s primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. The investment guidelines showing the Fund's maximum investment in international shares do not include this potential additional exposure. Short positions may be part of the underlying Australian share funds' strategy. Currency hedges may be used from time to time.



Perpetual Wholesale Funds

Product Disclosure Statement

Issue number 6 dated 1 June 2011
for indirect investors only

Issued by
Perpetual Investment Management Limited
ABN 18 000 866 535
AFSL 234426

Important notes

In this PDS, 'Funds' means Perpetual Wholesale Funds collectively and 'Fund' means one of the Funds, or a particular Fund within Perpetual Wholesale Funds, as the context requires. Each Fund is a managed investment scheme that is registered with the Australian Securities and Investments Commission (ASIC).

References in this PDS to 'we', 'us', 'our', 'Perpetual Investments' and 'Perpetual' are to Perpetual Investment Management Limited as the responsible entity of the Funds and the issuer of units in the Funds and this PDS.

Perpetual Investment Management Limited is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827).

'Perpetual Group' means Perpetual Limited and its subsidiaries.

We authorise the use of this PDS as disclosure only for indirect investors who wish to access the Funds through an investor directed portfolio service (IDPS), IDPS-like scheme, or a nominee or custody service (collectively referred to in this PDS as a 'Service').

As an investor gaining exposure to the Funds through a Service, you do not yourself become an investor in the Fund. Instead it is the Service operator, which invests for you, that has the rights of a member. Certain provisions of the Funds' constitutions are not relevant to indirect investors. For example, indirect investors cannot attend member meetings or transfer or mortgage units in a Fund. You can request reports on your investment from the Service operator and you should direct any inquiries to them.

'You' or 'your' refers to indirect investors in the Funds.

This PDS describes the important features of the Funds. You should read it carefully before you decide to invest as it will help you to decide whether the Funds are appropriate for you. It contains general information only and doesn't take into account your specific investment goals. This PDS may also help when comparing the Funds to others you may be considering.

We recommend that you seek financial advice before making an investment decision. If you have questions about investing in the Funds, you should speak to your financial adviser. You should consider the tax implications of investing in the Funds, which your financial and/or tax adviser will be able to help you with.

We may update this PDS (as well as the terms and features of the Funds where we can according to the Funds' constitutions and the law) with changes that are not materially adverse without issuing a supplementary PDS. The PDS and updated information will be available at our website and you can also obtain a paper copy free of charge, on request. If we become aware of any change that is materially adverse, we'll replace this PDS or issue a supplementary PDS. If there is an increase in fees or charges (other than government fees or charges), we'll give your Service operator at least 30-days' prior written notice.

You should keep a copy of the current PDS and any supplementary PDS for future reference. You can access further information that has been made publicly available, that might influence your decision, by contacting us. We'll tell you if there is a charge for this information.

Visit our website or contact us for the most up-to-date past investment returns for the Funds. Past investment returns are not indicative of future returns, so you shouldn't base your decision to invest in the Funds on past investment returns.

Neither we nor any company in the Perpetual Group guarantee that you will earn any return on your investment or that your investment will gain in value or retain its value. Investment in the Funds is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia.

All amounts in this PDS are in Australian dollars and all times quoted are Sydney time (unless otherwise specified). A business day is a working day for Perpetual in Sydney.

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Welcome to Perpetual Wholesale Funds

The key benefits of investing

Perpetual Wholesale Funds provide access to a suite of investment funds managed by Perpetual where you can choose to invest in:

- a single asset class fund(s), including Australian and international shares, property, mortgages and fixed income
- a multi asset class fund(s) where we determine the allocation of investments between various asset classes.

This gives you the flexibility to structure an investment portfolio to best suit your needs.

About the investment manager

Perpetual Investments is one of Australia's leading investment managers, with \$28.2 billion in funds under management (as at 31 March 2011). Perpetual Investments is part of the Perpetual Group, which has been in operation for more than 120 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth.

We may from time to time appoint external specialist investment managers to manage one or more asset classes in the Funds in whole or in part. Details about any current external specialist investment managers at any time are available at our website (see 'Incorporation by reference' on page 26 for details) or can be obtained free of charge by contacting us.

We may also invest in other external managed investment funds from time to time.

Asset classes available

The main asset classes that the Funds may invest in are shown in the following table. The Funds may also invest in other types of assets (see 'Funds profiles' on pages 6-13 for details).

The main asset classes

| Asset class | Risk ¹ | Description of investment |
|----------------------|-------------------|---|
| Cash | Low | Cash investments include discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans. Cash provides a relatively consistent rate of return in the form of regular interest payments, generally in line with short-term interest rates and is widely considered the lowest investment risk. |
| Enhanced cash | Low | Enhanced cash investments include cash investments, fixed income instruments, hybrids, loans and other income generating securities. The maturity dates of investments are typically longer than cash and they may have a lower credit rating than those in a money market fund, however, they are usually managed to short interest rate exposures. |
| Mortgages | Low to moderate | A mortgage investment involves lending money to a borrower to buy property. The borrower must offer adequate collateral to secure the loan. The interest payments on the loan represent the return on the mortgage investment. |
| Fixed income | Low to moderate | Fixed income instruments involve investing in securities issued by an issuer for a pre-determined period. The issuers may include governments, banks, corporations and asset backed trusts. The instruments when issued usually provide a return in the form of defined periodic income payments and the return of principal at maturity. These income payments are either fixed when issued or set periodically against a benchmark. |
| Property | Moderate to high | A property investment involves buying shares that represent a portion of ownership in a property related security, buying units in a listed or unlisted property trust or buying property directly. Property investments can be in a range of sectors including commercial, industrial, residential and retail. Returns are usually generated from rental income and changes in the value of the underlying properties. |
| Shares | High | Shares represent a portion of ownership in a company. Shareholders can benefit if a company passes on some of its profits to them through dividends and/or from capital growth if the share price rises. |

¹ See 'Understanding investment risk' on page 4 for an explanation of the risks of investing.

Understanding investment risk

The risks of investing

All investments are subject to risk which means the value of your investment may rise or fall and/or you may not be able to withdraw your investment within the expected timeframe.

Before making an investment decision, it's important to understand the risks that can affect the value of your investment. While it's not possible to identify every risk relevant to investing in the Funds, we have detailed below the significant risks that may affect your investment. An investment within an asset class may not necessarily be exposed to each of the risks.

Volatility is an important measure of overall investment risk. It generally refers to the fluctuation in the value of an asset, index or other type of security over a given period. The greater the volatility of an asset, index or security, the larger the fluctuations between its high and low values and the greater the fluctuations in its returns.

Your financial adviser can assist you in determining which Funds are suited to your financial needs.

| Type of risk | Description of risk |
|---------------------------|---|
| Investment risk | The value of your investment may fall for a number of reasons, including the risks set out below, which means that you may receive back less than your original investment when you withdraw. |
| Market and economic risk | Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment. |
| Asset risk | A particular asset that a fund invests in may fall in value, which can result in a reduction of your investment. |
| Currency risk | For investments in international assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value. For example, if the Australian dollar rises, the value of international investments expressed in Australian dollars can fall. |
| Interest rate risk | Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns. |
| Credit risk | The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time. The market value of an investment can also fall significantly when the perceived risk of a note or bond increases or its credit rating declines. |
| Liquidity risk | The absence of an established market or shortage of buyers for an investment can result in a loss if the holder of the investment needs to sell it within a particular timeframe. A shortage of liquidity can also result in delays in the payment of withdrawals from a fund – see 'Withdrawals' on page 21 and 'Suspension of applications and withdrawals' on page 25 for further information. |
| Derivatives risk | Derivative market values can fluctuate significantly and, as a result, potential gains and losses can be magnified. Losses can occur where the value of the derivative fails to move in line with the underlying asset or where a greater exposure to a market is created through the derivative position than is backed by the assets of a fund. Other risks applying to derivatives include counter-party risk and liquidity risk, where the derivative position is difficult or costly to reverse. See 'Use of derivatives' on page 14 for further information about how derivatives may be used by the investment managers. |
| Counter-party risk | A loss may occur if the other party to a contract, including derivatives contracts or lending arrangements (cash or stocks), defaults on their obligations under the contract. |
| Legal and regulatory risk | Changes in legislation and other rules in domestic and foreign markets, including those dealing with taxation, accounting and investments, may adversely impact your investment. |
| Investment strategy risks | A fund's investment strategy may involve specific risks. These include gearing risk, short-position risk, prime broker risk and portfolio concentration risk – see 'Investment strategy risks' on this page for details. |

Investment strategy risks

Gearing risk

With gearing, the investment manager borrows money from a lender to increase the amount the fund can invest. While this can result in larger investment gains in a rising market, it is also likely to magnify losses in a falling market.

Gearing increases the volatility of a fund's investment returns. Consequently, a geared fund is considered to have a higher investment risk than a comparable fund that is ungeared.

The returns of a geared fund depend on the types of investments in it as well as the level of gearing and the costs of borrowing, including interest rates.

The greater the level of gearing, the greater the potential for loss of capital. As the following example shows, a 10% fall in the market value of assets in an ungeared fund could translate into a 20% fall in the value of the same portfolio in a geared fund with a gearing level of 50% (excluding fees and borrowing costs).

Example

| Your investment amount | \$1,000 | \$1,000 |
|--|--------------|--------------|
| Fund gearing level | nil | 50% |
| Amount borrowed by fund | n/a | \$1,000 |
| Amount invested in the market | \$1,000 | \$2,000 |
| If the value of the fund's assets falls by 10%: | | |
| Fall in value of fund's assets | \$100 | \$200 |
| Value of fund's assets after fall | \$900 | \$1,800 |
| Outstanding loan | n/a | \$1,000 |
| Value of your investment | \$900 | \$800 |
| Loss of investment capital | \$100 | \$200 |
| Effective rate of loss | 10% | 20% |

Consequently, the greater the level of gearing, the less the fall in asset value needs to be for a greater loss of your investment capital.

The gearing level may change regularly due to factors such as market movements, applications, withdrawals or changes to the amount borrowed. In certain circumstances, it may be necessary to suspend withdrawals to manage the fund's gearing position within its approved limits and protect the interests of all investors in the fund.

The lender may have the right to reduce the gearing level set for the geared fund or terminate the lending facility. This means that a geared fund may need to promptly reduce the gearing level by selling assets, which may force the sale of assets at unfavourable prices. To control this risk, the investment manager may establish alternate sources of funding to limit the exposure to any one lender.

Short-position risk

Where permitted, a short position can be created when a fund sells a borrowed security before buying it back from the open market to return to the securities lender. If the security rises in value, the fund makes a loss because it buys it back for more than it was sold.

Establishing a short position in a security involves a higher level of risk than investing in a security. This is because when you invest in a security, the maximum loss is generally limited to the amount invested. With short positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises.

A further risk is that the securities lender may recall a borrowed security, so the fund will have to find another securities lender willing to lend the security, or may have to buy the security quickly at an unfavourable price.

Prime broker risk

Perpetual engages a prime broker to provide financing for gearing and stock for the borrowing and lending of securities in the Perpetual Wholesale Geared Australian Fund and Perpetual Wholesale SHARE-PLUS Long-Short Fund, as well as settlement services for these Funds and any other services agreed between the parties.

When one of these Funds borrows securities or cash, the prime broker is entitled to take collateral from the assets of the particular Fund. Any assets taken by the prime broker may be used by the prime broker for its own purposes (including lending those assets to third parties) for the period that the Fund retains the relevant liability. Therefore, there is a risk that if the prime broker becomes insolvent whilst the Fund remains indebted to the prime broker, the assets of the Fund may not be returned in full.

Portfolio concentration risk

Investing in a Fund with a smaller number of investments may lead to more volatile returns than investing in a Fund with a more diversified portfolio.

Other risks

The following risks are inherent within any managed investment scheme:

- The investment professionals employed by a fund's investment manager may change, which may affect the future performance of that fund.
- Investing in a fund may have a different tax outcome than investing directly because of the application of tax laws to the fund and the impact of investments and withdrawals by other investors. One result is that you may receive back some of your capital as income in a distribution.
- Transactions may be suspended, which may result in delays in paying withdrawal requests.
- A fund may be terminated.

How we manage these risks

We can't eliminate investment risks, however we aim to manage the impact of these risks by setting consistent and carefully considered investment guidelines.

Funds profiles

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| | Perpetual Wholesale Dynamic Fixed Income Fund | 7 |
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The Funds profiles on pages 7-13 provide a summary of the Funds offered within Perpetual Wholesale Funds. For more details and any updated information about the Funds, visit our website or contact us.

The following information explains certain terms and concepts detailed in the Funds profiles.

Commencement date

This is the month and year that the Fund received its first investment.

Management cost

This represents all of the management costs (except for any abnormal operating expenses) associated with managing and administering the Fund (see 'Management costs' in the 'Fees and other costs' section on page 17 for details). Management costs may vary in the future.

Suggested length of investment

This is a guide only and not a recommendation. You should discuss your investment in the Fund(s) with your financial adviser to ensure that it meets your needs.

Distribution frequency and dates

The distribution frequency is how often the Fund usually makes a distribution. The distribution dates are the effective dates for distributions. The actual payment of distributions occurs after the distribution date (see 'Distributions' on page 22 for details).

Withdrawals

This shows how often you are able to withdraw from your investment in the Fund(s) under normal operating conditions (see 'Withdrawals' on page 21 for details).

Objective

The objective is a summary of what the Fund aims to achieve.

Investment approach

This is the method or principles that the investment manager uses, either directly or indirectly, to manage the Fund to meet its objectives.

Investment guidelines

This provides an indication of what the Fund will invest in directly or indirectly.

Footnotes

See page 13 for details of any footnotes.

Funds profiles

| | MORTGAGES | FIXED INCOME | FIXED INCOME |
|---|---|---|---|
| | Perpetual Wholesale Monthly Income Fund | Perpetual Wholesale Diversified Income Fund | Perpetual Wholesale Dynamic Fixed Income Fund |
| Commencement date | July 2000 | October 2005 | November 2010 |
| Management cost (pa) | 0.785% | 0.700% | 0.700% |
| Suggested length of investment | Three years or longer | Three years or longer | Three years or longer |
| Distribution frequency and dates | Monthly – as at the end of each calendar month | Quarterly – 31 March, 30 June, 30 September and 31 December | Quarterly – 31 March, 30 June, 30 September and 31 December |
| Withdrawals | Quarterly ¹ | Each business day | Each business day |
| Objective | Aims to provide investors with capital stability and a regular monthly income by investing predominantly in a pool of quality first registered Australian direct commercial mortgages. | Aims to provide regular income and consistent returns above the UBS Bank Bill Index over rolling three-year periods (before fees and taxes) by investing in a diverse range of income generating assets. | Aims to provide: <ul style="list-style-type: none"> capital stability and regular income by investing in a diversified range of income generating assets a positive return (before fees and taxes) irrespective of market conditions over a rolling three-year period. |
| Investment approach | Perpetual aims to achieve the objective by investing in quality first registered mortgages, generally with three-year terms, held over freehold and leasehold land and buildings in Australian capital cities and major regional centres, applying a certain mortgage selection criteria to manage mortgage risk. The Fund also invests in cash, enhanced cash and fixed income securities. Derivatives may be used in managing the Fund. | The Fund's approach to delivering returns and managing risk is through an active and risk aware investment process which invests in a diversified core portfolio of liquid investment grade credit securities. Perpetual believes these assets provide investors with protection in times of market stress. When the environment is supportive Perpetual seeks to enhance returns by taking more risk whether that be in maturity, credit rating, subordination or gearing. The Fund can also invest in alternative income generating securities such as mortgages, infrastructure debt and private debt. This approach to portfolio construction is Perpetual's preferred method to deliver investors the highest possible risk adjusted returns. Derivatives may be used in managing the Fund. | Perpetual aims to achieve the objective by: <ul style="list-style-type: none"> actively managing the credit risk through: <ul style="list-style-type: none"> diversifying the Fund among different securities issued by various borrowers actively managing for changes in market-wide and security-specific credit margins identifying and investing in relative value within the universe of credit securities managing duration risk considering a variety of factors, including valuations and current market conditions. Derivatives may be used in managing the Fund. |
| Investment guidelines | Invests predominantly in first registered mortgages. We intend to maintain a minimum cash, enhanced cash and fixed income level of 25% of the net asset value of the Fund. ² This amount may be greater due to cash flows and lending requirements. | Cash and investment grade securities ³ 0-100% Sub-investment grade securities ⁴ and non-rated securities 0-25% Mortgages and other private debt ⁴ 0-15% Gearing level 0-25% (of the Fund's net asset value) | Fixed rate exposure 0-100% Floating rate exposure 0-100% Interest rate duration 0-4 years Cash and investment grade securities ³ 0-100% Sub-investment grade securities ⁴ and non-rated securities 0-40% |

You should refer to page 13 for details of footnotes.

Funds profiles

| | PROPERTY | PROPERTY | AUSTRALIAN SHARES | | | | | | | | | | | | | | | | |
|---|--|--|---|------------------------------|--------|----------------|------|------|-------|--|------------------------------|---------|------|-------|---|------------------------------|---------|------|-------|
| | Perpetual Wholesale Property Income Fund | Perpetual Wholesale Property Securities Fund | Perpetual Wholesale Industrial Fund | | | | | | | | | | | | | | | | |
| Commencement date | October 2004 | December 1991 | September 1996 | | | | | | | | | | | | | | | | |
| Management cost (pa) | 0.900% ⁵ | 0.900% | 0.990% | | | | | | | | | | | | | | | | |
| Suggested length of investment | Five years or longer | Five years or longer | Five years or longer | | | | | | | | | | | | | | | | |
| Distribution frequency and dates | Quarterly – 31 March, 30 June, 30 September and 31 December | Quarterly – 31 March, 30 June, 30 September and 31 December | Half-yearly – 30 June and 31 December | | | | | | | | | | | | | | | | |
| Withdrawals | Each business day | Each business day | Each business day | | | | | | | | | | | | | | | | |
| Objective | Aims to provide stable income and long-term capital growth by investing in both listed property related securities and unlisted property funds. | Aims to provide long-term capital growth and income by investing in listed property related securities. | Aims to provide long-term capital growth and regular income through investment in quality Australian industrial shares. | | | | | | | | | | | | | | | | |
| Investment approach | <p>Perpetual focuses on selecting property investments that represent the best quality and value relative to other property investments in the market.</p> <p>Perpetual will seek to identify investments that demonstrate:</p> <ul style="list-style-type: none"> • quality assets • conservative debt • sound business and capital management. <p>The Fund may invest in listed property trusts, listed real estate management and development companies, unlisted property funds or other property related vehicles.</p> <p>The Fund invests primarily in Australia but at times it may have some Asian listed property exposure.</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual focuses on selecting listed property related securities that represent the best investment quality and value relative to other property securities in the market.</p> <p>Perpetual will seek to identify property securities that demonstrate:</p> <ul style="list-style-type: none"> • quality assets • conservative debt • sound business and capital management. <p>The Fund may invest in listed property trusts and listed real estate management and development companies.</p> <p>The Fund invests primarily in Australia but at time it may have some Asian listed property exposure.</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>Derivatives may be used in managing the Fund.</p> | | | | | | | | | | | | | | | | |
| Investment guidelines | <table border="0"> <tr> <td>Unlisted property</td> <td>20-80%</td> </tr> <tr> <td>Listed property⁶</td> <td>20-80%</td> </tr> <tr> <td>Other property</td> <td>0-5%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table> <p>The Fund's asset allocation may vary outside the above ranges if the Fund size is \$50 million or less.</p> | Unlisted property | 20-80% | Listed property ⁶ | 20-80% | Other property | 0-5% | Cash | 0-20% | <table border="0"> <tr> <td>Listed property⁶</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table> | Listed property ⁶ | 90-100% | Cash | 0-10% | <table border="0"> <tr> <td>Australian industrial shares</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table> | Australian industrial shares | 90-100% | Cash | 0-10% |
| Unlisted property | 20-80% | | | | | | | | | | | | | | | | | | |
| Listed property ⁶ | 20-80% | | | | | | | | | | | | | | | | | | |
| Other property | 0-5% | | | | | | | | | | | | | | | | | | |
| Cash | 0-20% | | | | | | | | | | | | | | | | | | |
| Listed property ⁶ | 90-100% | | | | | | | | | | | | | | | | | | |
| Cash | 0-10% | | | | | | | | | | | | | | | | | | |
| Australian industrial shares | 90-100% | | | | | | | | | | | | | | | | | | |
| Cash | 0-10% | | | | | | | | | | | | | | | | | | |

You should refer to page 13 for details of footnotes.

Funds profiles

| | AUSTRALIAN SHARES | | AUSTRALIAN SHARES | | AUSTRALIAN SHARES | |
|---|---|---------|--|---------|---|---------|
| | Perpetual Wholesale Australian Fund | | Perpetual Wholesale Concentrated Equity Fund | | Perpetual Wholesale Ethical SRI Fund | |
| Commencement date | February 1997 | | August 1999 | | April 2002 | |
| Management cost (pa) | 0.990% | | 1.100% | | 1.175% | |
| Suggested length of investment | Five years or longer | | Five years or longer | | Five years or longer | |
| Distribution frequency and dates | Half-yearly – 30 June and 31 December | | Half-yearly – 30 June and 31 December | | Half-yearly – 30 June and 31 December | |
| Withdrawals | Each business day | | Each business day | | Each business day | |
| Objective | Aims to provide long-term capital growth and income through investment in quality shares. | | Aims to provide long-term capital growth and income through investment in quality shares. | | Aims to provide long-term capital growth and income through investment in quality shares of socially responsible companies. | |
| Investment approach | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>Derivatives may be used in managing the Fund.</p> | | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>The Fund's investment portfolio will typically consist of between 20 and 45 stocks.</p> <p>Derivatives may be used in managing the Fund.</p> | | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>In addition to the above investment approach, Perpetual utilises a strategy for screening ethical and socially responsible investments (see 'Environmental, social and ethical factors and labour standards – Perpetual Wholesale Ethical SRI Fund' on page 14).</p> <p>Derivatives may be used in managing the Fund.</p> | |
| Investment guidelines | Australian shares ⁷ | 90-100% | Australian shares ⁷ | 90-100% | Australian shares ⁷ | 90-100% |
| | Cash | 0-10% | Cash | 0-10% | Cash | 0-10% |

You should refer to page 13 for details of footnotes.

Funds profiles

| | AUSTRALIAN SHARES | AUSTRALIAN SHARES | AUSTRALIAN SHARES | | | | | | | | | | | | | | | | | | |
|--|--|--|---|------|-------|----------------------------|-------|---|--------------------------------|---------|--|-------|--|---------|------|-------|--|-----------------------------------|---------|------|-------|
| | Perpetual Wholesale Geared Australian Fund | Perpetual Wholesale SHARE-PLUS Long-Short Fund | Perpetual Wholesale Smaller Companies Fund | | | | | | | | | | | | | | | | | | |
| Commencement date | March 2003 | March 2003 | October 1996 | | | | | | | | | | | | | | | | | | |
| Management cost (pa) | 1.170% ⁸ | 0.990% (plus performance fee ¹⁰) | 1.250% | | | | | | | | | | | | | | | | | | |
| Suggested length of investment | Seven years or longer | Five years or longer | Five years or longer | | | | | | | | | | | | | | | | | | |
| Distribution frequency and dates | Half-yearly – 30 June and 31 December | Half-yearly – 30 June and 31 December | Half-yearly – 30 June and 31 December | | | | | | | | | | | | | | | | | | |
| Withdrawals | Each business day | Each business day | Each business day | | | | | | | | | | | | | | | | | | |
| Objective | Aims to enhance long-term capital growth through borrowing (gearing) to invest in quality shares. | Aims to provide long-term capital growth and income through investment in quality shares and taking short positions in selected Australian shares. | Aims to provide long-term capital growth and income through investment in quality Australian shares which, when first acquired, do not rank in the S&P/ASX 50 Index. | | | | | | | | | | | | | | | | | | |
| Investment approach | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>The gearing level of the Fund must be kept within pre-determined guidelines. Within these, Perpetual aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income.</p> <p>Derivatives may be used in managing the Fund, including for gearing purposes.</p> | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>In addition, Perpetual aims to take short positions in Australian shares that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions).</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • in the case of industrial shares, recurring earnings. <p>Derivatives may be used in managing the Fund.</p> | | | | | | | | | | | | | | | | | | |
| Investment guidelines | <table border="0"> <tr> <td>Australian shares⁷</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> <tr> <td>Gearing level⁹</td> <td>0-60%</td> </tr> </table> | Australian shares ⁷ | 90-100% | Cash | 0-10% | Gearing level ⁹ | 0-60% | <table border="0"> <tr> <td>Australian shares⁷</td> <td>90-125%</td> </tr> <tr> <td>Short positions in Australian shares¹¹</td> <td>0-25%</td> </tr> <tr> <td>Australian shares⁷ (net)¹²</td> <td>65-100%</td> </tr> <tr> <td>Cash</td> <td>0-35%</td> </tr> </table> | Australian shares ⁷ | 90-125% | Short positions in Australian shares ¹¹ | 0-25% | Australian shares ⁷ (net) ¹² | 65-100% | Cash | 0-35% | <table border="0"> <tr> <td>Australian smaller company shares</td> <td>80-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table> | Australian smaller company shares | 80-100% | Cash | 0-20% |
| Australian shares ⁷ | 90-100% | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-10% | | | | | | | | | | | | | | | | | | | | |
| Gearing level ⁹ | 0-60% | | | | | | | | | | | | | | | | | | | | |
| Australian shares ⁷ | 90-125% | | | | | | | | | | | | | | | | | | | | |
| Short positions in Australian shares ¹¹ | 0-25% | | | | | | | | | | | | | | | | | | | | |
| Australian shares ⁷ (net) ¹² | 65-100% | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-35% | | | | | | | | | | | | | | | | | | | | |
| Australian smaller company shares | 80-100% | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-20% | | | | | | | | | | | | | | | | | | | | |

You should refer to page 13 for details of footnotes.

Funds profiles

| | INTERNATIONAL SHARES | INTERNATIONAL SHARES | DIVERSIFIED – CONSERVATIVE | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---|------|-------|---|----------------------|---------|------|-------|--|---------------------------------|-------|----------------------|-------|----------|-------|--------------|--------|--------------------------------------|--------|---------------------------------|-------|
| | Perpetual Wholesale Global Resources Fund | Perpetual Wholesale International Share Fund | Perpetual Wholesale Conservative Growth Fund | | | | | | | | | | | | | | | | | | | | |
| Commencement date | November 2006 | April 1997 | September 2003 | | | | | | | | | | | | | | | | | | | | |
| Management cost (pa) | 1.350% for Class B units ¹³ | 1.226% | 0.900% ¹⁴ | | | | | | | | | | | | | | | | | | | | |
| Suggested length of investment | Seven years or longer | Five years or longer | Three years or longer | | | | | | | | | | | | | | | | | | | | |
| Distribution frequency and dates | Half-yearly – 30 June and 31 December | Yearly – 30 June | Quarterly – 31 March, 30 June, 30 September and 31 December | | | | | | | | | | | | | | | | | | | | |
| Withdrawals | Each business day | Each business day | Each business day | | | | | | | | | | | | | | | | | | | | |
| Objective | Aims to provide long-term capital growth through investment in quality global resource shares. | Aims to provide long-term capital growth through investment in international shares. | Aims to provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities. | | | | | | | | | | | | | | | | | | | | |
| Investment approach | <p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • the ability to generate recurring earnings. <p>The Fund's investment portfolio will typically consist of between 20 and 50 global resource shares and related service companies.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual adopts a fundamental, bottom-up approach to stock selection focusing on quality companies with attractive valuations within a global framework.</p> <p>Currency hedges may be used from time to time (up to 30% of the value of the Fund).</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments).¹⁵</p> <p>Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> | | | | | | | | | | | | | | | | | | | | |
| Investment guidelines | <table border="0"> <tr> <td>Global resource shares</td> <td>80-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table> | Global resource shares | 80-100% | Cash | 0-20% | <table border="0"> <tr> <td>International shares</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table> | International shares | 90-100% | Cash | 0-10% | <table border="0"> <tr> <td>Australian shares¹⁶</td> <td>0-25%</td> </tr> <tr> <td>International shares</td> <td>0-20%</td> </tr> <tr> <td>Property</td> <td>0-10%</td> </tr> <tr> <td>Fixed income</td> <td>25-55%</td> </tr> <tr> <td>Cash and enhanced cash¹⁷</td> <td>15-45%</td> </tr> <tr> <td>Other investments¹⁵</td> <td>0-30%</td> </tr> </table> | Australian shares ¹⁶ | 0-25% | International shares | 0-20% | Property | 0-10% | Fixed income | 25-55% | Cash and enhanced cash ¹⁷ | 15-45% | Other investments ¹⁵ | 0-30% |
| Global resource shares | 80-100% | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-20% | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 90-100% | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-10% | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares ¹⁶ | 0-25% | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 0-20% | | | | | | | | | | | | | | | | | | | | | | |
| Property | 0-10% | | | | | | | | | | | | | | | | | | | | | | |
| Fixed income | 25-55% | | | | | | | | | | | | | | | | | | | | | | |
| Cash and enhanced cash ¹⁷ | 15-45% | | | | | | | | | | | | | | | | | | | | | | |
| Other investments ¹⁵ | 0-30% | | | | | | | | | | | | | | | | | | | | | | |

You should refer to page 13 for details of footnotes.

Funds profiles

| | DIVERSIFIED – BALANCED | DIVERSIFIED – GROWTH | DIVERSIFIED – GROWTH | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|----------------------|--------|----------|-------|--------------|--------|--------------------------------------|-------|---------------------------------|-------|--|---------------------------------|--------|----------------------|--------|----------|-------|--------------|-------|--------------------------------------|-------|---------------------------------|-------|--|---|---------|------|-------|
| | Perpetual Wholesale Diversified Growth Fund | Perpetual Wholesale Balanced Growth Fund | Perpetual Wholesale Split Growth Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commencement date | October 2001 | October 1997 | March 1999 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management cost (pa) | 0.960% ¹⁴ | 1.040% ¹⁴ | 1.160% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suggested length of investment | Three years or longer | Five years or longer | Five years or longer | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distribution frequency and dates | Quarterly – 31 March, 30 June, 30 September and 31 December | Half-yearly – 30 June and 31 December | Yearly – 30 June | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Withdrawals | Each business day | Each business day | Each business day | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Objective | Aims to provide long-term capital growth and regular income through investment in a diversified portfolio of growth and income assets. | Aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments. | Aims to achieve long-term capital growth through investment in a mix of international shares and Australian industrial shares and other securities with lower risk than 100% exposure to either asset class. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment approach | <p>Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments).¹⁵</p> <p>Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> | <p>Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments).¹⁵</p> <p>Tactical asset allocation strategies may be applied. This process involves the Fund adjusting its exposure to asset classes on a regular basis the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> | <p>Perpetual adopts a fundamental, bottom-up approach to stock selection focusing on quality companies. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives may be used in managing the Fund.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment guidelines | <table border="0"> <tr> <td>Australian shares¹⁶</td> <td>10-35%</td> </tr> <tr> <td>International shares</td> <td>10-30%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income</td> <td>15-45%</td> </tr> <tr> <td>Cash and enhanced cash¹⁷</td> <td>0-30%</td> </tr> <tr> <td>Other investments¹⁵</td> <td>0-30%</td> </tr> </table> | Australian shares ¹⁶ | 10-35% | International shares | 10-30% | Property | 0-15% | Fixed income | 15-45% | Cash and enhanced cash ¹⁷ | 0-30% | Other investments ¹⁵ | 0-30% | <table border="0"> <tr> <td>Australian shares¹⁶</td> <td>10-50%</td> </tr> <tr> <td>International shares</td> <td>10-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income</td> <td>5-35%</td> </tr> <tr> <td>Cash and enhanced cash¹⁷</td> <td>0-30%</td> </tr> <tr> <td>Other investments¹⁵</td> <td>0-30%</td> </tr> </table> | Australian shares ¹⁶ | 10-50% | International shares | 10-50% | Property | 0-15% | Fixed income | 5-35% | Cash and enhanced cash ¹⁷ | 0-30% | Other investments ¹⁵ | 0-30% | <table border="0"> <tr> <td>International shares and Australian industrial shares</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table> | International shares and Australian industrial shares | 90-100% | Cash | 0-10% |
| Australian shares ¹⁶ | 10-35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 10-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 0-15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed income | 15-45% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and enhanced cash ¹⁷ | 0-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other investments ¹⁵ | 0-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Australian shares ¹⁶ | 10-50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares | 10-50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property | 0-15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed income | 5-35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and enhanced cash ¹⁷ | 0-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other investments ¹⁵ | 0-30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International shares and Australian industrial shares | 90-100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0-10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

You should refer to page 13 for details of footnotes.

Footnotes to Funds profiles

- 1 See 'Perpetual Wholesale Monthly Income Fund' under 'Withdrawals' on page 21 for details.
- 2 This may be affected by the level of quarterly withdrawal requests and our ability to sell underlying assets.
- 3 Investment grade is a term given to securities that have a high probability of payment of interest and repayment of principal.
- 4 Sub-investment grade is a term given to securities where there is a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise. The Fund predominantly invests in investment grade securities, but we may increase our sub-investment grade exposure under favourable economic conditions. Sub-investment grade securities may include, but are not limited to, non-rated securities, hybrids, mortgages, mezzanine mortgages and private debt.
- 5 The Fund may also invest in unlisted property funds which charge a performance-based fee. If these performance fees occur, they will be an additional cost to you.
- 6 The Fund invests primarily in Australia but may have up to 20% exposure to Asian listed property related investments. Currency hedges may be used from time to time.
- 7 The Fund invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time.
- 8 The percentage quoted is based on the Fund's gross asset value. If the average gearing level is 50%, the management cost will be 2.340% of net asset value. If the average gearing level over the year is higher than 50%, the management cost will be higher than 2.340%.
- 9 The gearing level is the Fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the Fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowings. If the Fund's gearing level exceeds 60% (due to withdrawals or negative market movements), Perpetual will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the Fund's assets.
- 10 Perpetual charges the Fund a performance fee if its investment performance (as a whole) exceeds its performance hurdle and other conditions are met – see 'Performance fees' on page 17 for details.
- 11 The Fund will pay the securities lender a management cost on borrowed stocks. The management cost varies on a stock by stock basis but is usually within the range of 0.50% pa to 5.00% pa of the market value of the stock.
- 12 The net market exposure is the value of Australian shares, adjusted for the value of short positions in Australian shares.
- 13 See 'Multiple unit classes' on page 24 for details.
- 14 The Fund may also invest in underlying funds which charge a performance-based fee. If these performance fees occur, they will be an additional cost to you.
- 15 Perpetual may allocate up to 30% of the portfolio to other investments, which may include infrastructure, mortgages (including mezzanine mortgages) and alternative investments such as private equity, emerging market debt, opportunistic property, absolute return funds, specialist credit, commodities and diversified beta funds. The additional exposure to other investments enhances the Fund's diversification and may help reduce volatility.
- 16 The Fund gains its exposure to Australian shares by investing in an underlying Australian share fund which invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time. The investment guidelines showing the Fund's maximum investment in international shares do not include this potential additional exposure.
- 17 This Fund may invest in enhanced cash funds that allow gearing.

Additional investment information

Use of derivatives

A derivative is a financial instrument that derives its value from the price of a physical security or market index. Derivatives may be used in the management of the Funds for a range of investment activity including but not limited to the purposes below. This will differ between fund types, as shown.

Derivatives may also be used to add to the gearing levels of portfolios for Funds that are authorised to gear.

Mortgages

Derivatives may be used to manage actual and anticipated interest rate risk.

Fixed Income

Derivatives may be used:

- to manage actual and anticipated interest rate and credit risk, currency risk and credit exposure
- for hedging, arbitrage, as a replacement for trading a physical security and for managing the duration of the Fund.

Property, Australian Shares and International Shares

Derivatives may be used:

- to adjust currency exposure (where appropriate)
- to hedge selected shares or securities against adverse movements in market prices
- to gain exposure to relevant indices
- to gain short-term exposure to the market
- to build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up
- as an alternative to the direct purchase or sale of underlying investments or creating market exposure where there are transactional, tax or cost efficiencies
- to create a short exposure to a stock for Funds authorised to take net negative positions.

Diversified Funds

The Diversified Funds can use derivatives directly or indirectly for the same purposes as those above for the Fixed Income, Property, Australian Shares and International Shares Funds.

Derivatives may also be used in the Diversified Funds to manage strategic and tactical asset allocation strategies.

Environmental, social and ethical factors and labour standards

Perpetual Wholesale Ethical SRI Fund

Perpetual evaluates companies that meet the investment approach, set out in the 'Funds profiles' on page 9, on a range of social and ethical issues to determine their suitability for inclusion in this Fund's portfolio. We seek to invest in quality companies that have satisfied our range of ethical and socially responsible investment criteria.

We take into account environmental, social and ethical considerations for the purpose of selecting, retaining or realising the investments in the portfolio. There are two main steps to the process, namely ethical exclusions and socially responsible investments (SRI) screening, utilising research from external specialists.

Ethical exclusions

We don't invest in companies that derive a material proportion of their revenue from the manufacture or sale of alcohol or tobacco, the operation of gambling facilities or the manufacture of gambling equipment, uranium extraction or the manufacture of weapons or armaments.

SRI screening

Companies remaining after the ethical exclusions are then subject to an SRI screening to evaluate how their business practices impact society and the environment. The SRI screening involves three steps:

1. **Negative screens:** Companies are rated on their negative environmental or social impacts and practices in relation to a number of criteria including human rights, labour standards, the environment, corporate governance, animal rights and genetically modified organisms.
2. **Positive screens:** Companies are rated on their positive environmental or social impacts and practices in relation to a number of criteria including renewable energy, waste (direct and down stream), corporate governance, use of quality and environmental management systems, and employee health and safety.
3. **Universe inclusion:** Scores from all negative and positive screens are then combined. Companies that score positively become allowable investments while companies with negative scores are excluded.

The Fund's investments are regularly reviewed to determine whether they continue to pass the ethical SRI screening process when updated information is received. If we become aware that the Fund is invested in a company that no longer passes the ethical SRI screening process, the investment will be sold as soon as practical, in an orderly, price-sensitive manner.

Where a company is not covered by one or both of our research providers we may invest in the stock (following preliminary internal analysis) until coverage is initiated. Should the stock fail the screening process when coverage commences the stock will be sold as described above.

In rare circumstances where an issue that has caused an exclusion is deemed to be minor we may override the exclusion for that issue, or for a period of time while the company rectifies the issue. These decisions are made independently of the Fund's portfolio manager to ensure conflicts of interest do not occur.

Emerging issues are monitored to ensure that the screening criteria remains relevant and in the spirit of the Fund. From time to time, and with the advice of our research providers, we may alter the screening criteria to take account of these emerging issues. We may engage with companies that are at risk from emerging issues to encourage them to consider the issue and improve their practices. We can modify the screening process for Perpetual Wholesale Ethical SRI Fund at any time.



CERTIFIED BY RIAA

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Perpetual Investment Management Limited has adopted strict disclosure practices required under the Responsible Investment Certification Program for the category of Fund Manager. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Perpetual Investment Management Limited's methodology, performance and stock holdings can be found at www.responsibleinvestment.org, together with details about other responsible investment products certified by RIAA.¹

¹ The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Other Funds

Apart from Perpetual Wholesale Ethical SRI Fund, we don't take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments and consider each investment based on its individual merits, but occasionally they may impact the purchase, sale or retention of an individual investment if we think they could adversely impact returns.

Additional information about the mortgage and property Funds

Perpetual Wholesale Monthly Income Fund

To improve the disclosure of information about mortgage funds in Australia, ASIC requires us to provide information about certain benchmarks, as follows:

- liquidity
- scheme borrowing
- portfolio diversification
- related party transactions
- valuation policy
- lending principles – loan-to-valuation ratios
- distribution practices
- withdrawal arrangements.

Information on these benchmarks and how we address them, which forms part of the PDS and is updated quarterly, is available at our website (see 'Incorporation by reference' on page 26 for details) or you can obtain a copy free of charge by contacting us.

Perpetual Wholesale Property Income Fund

To improve the disclosure of information about unlisted property funds in Australia, ASIC requires us to provide information about certain benchmarks, as follows:

- gearing ratio
- interest cover
- scheme borrowing
- portfolio diversification
- valuation policy
- related party transactions
- distribution practices
- withdrawal arrangements.

Information on these benchmarks and how we address them, which forms part of the PDS and is updated quarterly, is available at our website (see 'Incorporation by reference' on page 26 for details) or you can obtain a copy free of charge by contacting us.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund 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 contribution fees and management costs where applicable. Ask us or your financial adviser.

To find out more

If you would like to find out more or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website www.moneySMART.gov.au has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Fees and costs for particular Funds are set out in the 'Funds profiles' on pages 7-13. Any additional fees that you may be charged by your Service operator for investing in the Funds via their Service will be set out in your Service operator's disclosure document.

Tax information, including goods and services tax (GST), is set out on page 23. Unless otherwise stated, all fees and other costs disclosed in this PDS are inclusive of the net effect of GST.

You should read all information about fees and costs because it's important to understand their impact on your investment.

| Type of fee or cost | Amount | How and when paid |
|--|---|--|
| Fees when your money moves in or out of a Fund | | |
| Establishment fee The fee to open your investment | Nil. | Not applicable. |
| Contribution fee The fee on each amount contributed to your investment | Nil. ^{1,2} | No contribution fee is currently charged. |
| Withdrawal fee The fee on each amount you take out of your investment | Nil. ^{1,2} | No withdrawal fee is currently charged. |
| Termination fee The fee to close your investment | Nil. | Not applicable. |
| Management costs³ | | |
| The fees and costs for managing your investment The management costs for each Fund are shown in the 'Funds profiles' on pages 7-13. | Management fee: Currently 0.70%-1.35% pa of your account balance within a Fund, depending on the Fund. ¹ Certain expenses of the Funds are not included in this amount. ³ | The management costs, which are expressed as a percentage of the value of a Fund, are calculated and accrued daily and generally paid to us monthly. They are deducted directly from a Fund's assets and reflected in the unit price of the Fund each day. |
| | Performance fees: Perpetual Wholesale SHARE-PLUS Long-Short Fund also has a performance fee equal to 13.98% of the difference between the Fund's daily return and its performance hurdle. ^{1,4} | The performance fee for Perpetual Wholesale SHARE-PLUS Long-Short Fund is calculated daily and, if applicable, accrued in the Fund's unit price. Where payable, it is deducted directly from the Fund and paid to us six-monthly. ⁴ |
| Service fees | | |
| Investment switching fee The fee for changing Funds | Nil. ² | No switching fee is charged. |

1 See 'Maximum fees and charges' on page 19 for details of the maximum fee amounts allowed under the Funds' constitutions.

2 A buy/sell spread will generally apply (see 'Transaction costs' on page 18 for details).

3 See 'Management costs' on page 17 for further details.

4 See 'Performance fees' on page 17 for further information.

Additional explanation of fees and costs

Management costs

Management costs include:

- the management fee
- expense recoveries
- abnormal operating expenses
- specialist investment management expenses
- performance fees (if applicable).

Management fee

We receive a management fee for managing your investments in the Funds, which includes providing administration and custodian services. We currently pay the Funds' expenses (other than abnormal operating expenses and performance fees) out of our management fee.

Perpetual Wholesale Diversified Income Fund Perpetual Wholesale Geared Australian Fund Perpetual Wholesale Global Resources Fund

Under the Funds' constitutions, we can choose to be issued with units for our management fee. We'll redeem these units as soon as practicable after we receive them.

Perpetual Wholesale SHARE-PLUS Long-Short Fund

The management fee doesn't include any performance fee paid to us for this Fund.

Expense recoveries

The expense recoveries represent the operating expenses incurred in the day-to-day operation of the Funds.

There is no limit in the Funds' constitutions on the amount that can be reimbursed for expense recoveries but we currently choose to pay these out of our management fee, except for:

- in the case of Perpetual Wholesale Monthly Income Fund, any brokerage that may be payable to mortgage brokers and any legal or other external service provider costs associated with defaults by borrowers (which may be subsequently partially or fully recovered from the borrower and reimbursed to that Fund)
- in the case of Perpetual Wholesale Diversified Income Fund, the nominal cost of maintaining a line of credit that may be drawn on, as required, for any gearing in that Fund.

Expense recoveries can be paid directly from a Fund's assets or if the expenses are incurred by us for the proper performance of our duties and obligations as responsible entity of the Fund, we're entitled to be reimbursed for these amounts from the Fund.

Expense recoveries do not include abnormal operating expenses.

Abnormal operating expenses

We can be reimbursed from a Fund for abnormal operating expenses incurred in performing our duties and obligations in administering the Fund.

These abnormal operating expenses aren't generally incurred during the day-to-day operation of a Fund and aren't necessarily incurred in any given year. They're due to abnormal events like the cost of running an investor meeting, or legal costs incurred by changes in a Fund's constitution.

Specialist investment management expenses

The following applies where a Fund invests into an underlying fund.

Management fees in underlying funds

Managers of underlying funds will generally charge a management fee for their services. These fees will be deducted from the underlying funds and reflected in their unit price. Perpetual, however, will compensate the Fund for these amounts so they are not an additional cost to you.

Other underlying management expenses

Managers of underlying funds may also charge expense recoveries. These charges will be deducted from the underlying funds and reflected in their unit price. If charged, these amounts will be an additional cost to you.

Performance fees

Managers of underlying funds may also charge a performance fee. These fees will be deducted from the underlying funds and reflected in their unit price. If charged, these amounts will be an additional cost to you.

Performance fees

A performance fee may be charged if a Fund's investment performance (as a whole) exceeds its performance hurdle and other conditions, as outlined below, are met.

Perpetual Wholesale SHARE-PLUS Long-Short Fund

The performance hurdle for this Fund is the S&P/ASX 300 Accumulation Index plus 2% per annum.

The performance fee period is half-yearly, currently from 1 October to 31 March and 1 April to 30 September, with performance fees payable (if applicable) on 31 May and 30 November respectively. The Fund's constitution allows Perpetual to change the performance fee period with 30 days' written notice to investors.

The performance fee is calculated each business day and is based on the performance of the Fund after management fees and expenses have been deducted. The daily performance fee is equal to 13.98% of the difference between the Fund's daily return and its performance hurdle multiplied by the Fund's adjusted net asset value (that is, net asset value inclusive of management fee accruals but excluding accrued performance fees).

Where the daily performance fee is positive:

- it is added to any currently accrued performance fee and reflected in the Fund's daily unit price or
- where there is no currently accrued performance fee, it is applied to reduce any carried forward negative amount.

If the daily performance fee is negative:

- it is applied to reduce any currently accrued performance fee and, if the resultant amount is still positive, reflected in the Fund's daily unit price or
- where there is no currently accrued performance fee, the negative amount is carried forward and will need to be offset by future positive performance fees before any performance fee can be accrued and reflected in the Fund's unit price.

The performance fee paid to Perpetual is equal to the performance fee accrual since the performance fee was last paid. It's payable only if:

- the performance fee at the end of the period is a positive amount and
- the Fund's return over the performance fee period is positive.

If the performance fee at the end of a period is a negative amount, this amount carries over to the first day of the next period. This means that we must make up any under-performance from the previous period before we can start accruing a performance fee.

If the performance fee is a positive amount, but the Fund's return over the performance fee period is negative, this accrual amount carries over to the first day of the next period.

The full methodology for calculating the performance fee is detailed in the Fund's constitution.

The following table provides a dollar fee example, based on an investor that invests \$100,000 and makes no other transactions. For simplicity, the examples assume that both the Fund and index returns (and, therefore, the performance hurdle) are constant throughout the whole six-month period, although the actual performance fees are calculated each business day and (where applicable) accrued daily, as described previously. This example is for illustrative purposes only and shouldn't be taken as indicative of future performance fees.

Perpetual Wholesale Global Resources Fund

Under the Fund's constitution, we may charge a performance fee. We currently don't charge a performance fee for Class B units in this Fund.

Dollar fee example for performance fees in Perpetual Wholesale SHARE-PLUS Long-Short Fund*

| Performance fee | Calculation | Amount | How and when paid |
|--|--|----------|--|
| For the six-month period 1 October to 31 March, assuming: <ul style="list-style-type: none"> • the Fund's return for the period is 9% • the S&P/ASX 300 Accumulation Index return for the period is 8% • the performance hurdle is 9% for the period (that is, 1% above the index for the period or 2% pa) | The Fund's return above the performance hurdle for the period is 0% (that is, 9% – 9%). The performance fee is: $\$100,000 \times 13.98\% \times 0\%$ | \$0.00 | A performance fee will not be charged. |
| For the six-month period 1 April to 30 September, assuming: <ul style="list-style-type: none"> • the Fund's return for the period is 10% • the S&P/ASX 300 Accumulation Index return for the period is 8% • the performance hurdle is 9% for the period (that is, 1% above the index for the period or 2% pa) | The Fund's return above the performance hurdle for the period is 1% (that is, 10% – 9%). The performance fee is: $\$100,000 \times 13.98\% \times 1\%$ | \$139.80 | Accrued in the Fund's daily unit price and deducted directly from the Fund on 30 November. |

* This example is illustrative only and doesn't represent any actual past or future performance of the Fund. We don't provide any assurance that the Fund will achieve the performance used in the examples and you shouldn't rely on this in deciding whether to invest in the Fund.

Transaction costs

In managing the investments of the Funds, transaction costs such as brokerage, settlement costs, clearing costs and government charges may be incurred by changes in a Fund's investment portfolio, or when a Fund experiences cash flows in or out of it.

When a Fund incurs transaction costs from changing its investment portfolio, they are paid out of the Fund's assets and reflected in its unit price.

Transaction costs that are incurred because investors buy or sell units in a Fund are also paid from the Fund's assets, but they are offset by the transaction cost allowances that are included in the calculation of the Fund's entry and/or exit unit prices, where relevant, as described under 'Buy/sell spread' below.

Buy/sell spread

Estimated transaction costs are allocated when an investor buys or sells units in a Fund by incorporating a buy/sell spread between the Fund's entry and exit unit prices, where appropriate. This aims to ensure that other investors aren't impacted by the transaction costs associated with a particular investor buying or selling units in the Fund. We have discretion to waive the buy/sell spread on applications or withdrawals where no transaction costs are incurred.

A buy/sell spread is an additional cost to you. The spread, if applicable, is based on our estimates of the average transaction costs incurred by a Fund. However, it is not a fee paid to us and is retained in the Fund to cover the actual transaction costs as they are incurred.

The buy/sell spread will impact the return on your investment. As it is built into a Fund's unit prices, it won't be recorded separately on investor statements.

The buy/sell spread for each Fund, which forms part of the PDS, is publicly available at our website (see 'Incorporation by reference' on page 26 for details) or can be obtained free of charge by contacting us.

GST is not applicable to any buy/sell spread when you buy or sell units in the Funds.

Borrowing costs

Any costs associated with a Fund borrowing money or securities (such as interest, establishment fees, government charges and stock borrowing fees) are not included in the management costs and are charged separately to the Fund.

Perpetual Wholesale SHARE-PLUS Long-Short Fund will pay the securities lender an ongoing fee on borrowed stocks. The ongoing fee varies on a stock by stock basis but is usually within the range of 0.50%-5.00% per annum of the market value of the stock.

Maximum fees and charges

Each Fund's constitution allows us to charge maximum fees as outlined in the table below.

Expense recoveries are unlimited under the Funds' constitutions.

Amounts disclosed are inclusive of 10% GST unless stated otherwise.

Increases or alterations to the fees

Where applicable, we have disclosed the maximum amount payable for each fee. Fees may change for many reasons including changes in the competitive, industry and regulatory environment or simply from changes in costs. We won't increase our fees, or introduce contribution or withdrawal fees, without giving your Service operator at least 30-days' written notice except for government fees or charges.

Loan origination fees

Perpetual or another member of the Perpetual Group generally charges loan origination fees to the borrower for mortgages that it originates for Perpetual Wholesale Monthly Income Fund. These fees generally range between 0.11% and 0.55% of the loan amount and are retained by the Perpetual Group.

Maximum fees and charges

| Fund | Contribution fee (%) | Withdrawal fee (%) | Management fee (% pa) | Performance fee (%) |
|--|----------------------|--------------------|-----------------------|---------------------|
| Perpetual Wholesale Australian Fund | 4.00% | 2.00% | 2.040% ¹ | n/a |
| Perpetual Wholesale Balanced Growth Fund | 4.00% | 2.00% | 2.040% ¹ | n/a |
| Perpetual Wholesale Concentrated Equity Fund | 5.00% | 5.00% | 2.000% ² | n/a |
| Perpetual Wholesale Conservative Growth Fund | 5.00% | 5.00% | 3.000% ² | n/a |
| Perpetual Wholesale Diversified Growth Fund | 5.00% | 5.00% | 2.000% ² | n/a |
| Perpetual Wholesale Diversified Income Fund | 5.00% | 5.00% | 3.000% ² | n/a |
| Perpetual Wholesale Dynamic Fixed Income Fund | 5.00% | 5.00% | 3.000% ² | n/a |
| Perpetual Wholesale Ethical SRI Fund | 5.00% | 5.00% | 3.000% ² | n/a |
| Perpetual Wholesale Geared Australian Fund | 5.00% | 5.00% | 5.000% ² | n/a |
| Perpetual Wholesale Global Resources Fund | 5.00% | 5.00% | 3.000% ² | 20.00% ³ |
| Perpetual Wholesale Industrial Fund | 4.00% | 2.00% | 2.040% ¹ | n/a |
| Perpetual Wholesale International Share Fund | 4.00% | 2.00% | 2.040% ¹ | n/a |
| Perpetual Wholesale Monthly Income Fund | 5.00% | 5.00% | 2.000% ² | n/a |
| Perpetual Wholesale Property Income Fund | 5.00% | 5.00% | 3.000% ² | n/a |
| Perpetual Wholesale Property Securities Fund | 6.00% | n/a | 1.044% ² | n/a |
| Perpetual Wholesale SHARE-PLUS Long-Short Fund | 5.00% | 5.00% | 3.000% ² | 15.00% ³ |
| Perpetual Wholesale Smaller Companies Fund | 4.00% | 2.00% | 2.040% ¹ | n/a |
| Perpetual Wholesale Split Growth Fund | 3.00% | 2.00% | 4.100% ² | n/a |

1 Calculated on the Fund's net asset value.

2 Calculated on the Fund's gross asset value.

3 Based on the Fund's return above its performance hurdle.

Differential fees

We may negotiate a rebate of all or part of our management fee with wholesale clients (as defined by the Corporations Act) and employees of the Perpetual Group.

The payment and terms of rebates are negotiated with wholesale clients but are ultimately at our discretion, subject to the Corporations Act and ASIC policy.

Tax

Tax information, including GST, is set out on page 23.

Adviser remuneration

Financial adviser commissions

No commissions are paid to your financial adviser.

Other benefits

As a result of your investment in the Funds your financial adviser may qualify for other benefits, which are not an additional cost to you. We maintain a register (in compliance with the Industry Code of Practice on Alternative Forms of Remuneration) summarising alternative forms of remuneration that are paid or provided to certain financial advisers. If you would like to review this register please contact us.

Payments to dealer groups

Certain dealer groups, of which your adviser may be a part, may also receive payments based on the volume of business they generate. If these payments are made, they are not paid by you or the Funds, rather they are paid by us. These amounts may be up to 1.0% per annum (including 10% GST, if applicable) of the funds invested via the dealer group.

Product access payments

We may make payments to platform providers for distributing our Funds on their investments menu. These payments may help them recover their costs incurred in establishing our Funds on their menu and certain other marketing and distribution costs. These amounts may be up to 1.0% per annum (including 10% GST, if applicable) of the funds invested with us. If these payments are made, they are not paid by you or the Funds, but rather they are paid by us.

Example of annual fees and costs for Perpetual Wholesale Balanced Growth Fund

This table gives an example of how the fees and costs in Perpetual Wholesale Balanced Growth Fund can affect your investment over a one-year period. You should use this table to compare this Fund with other managed investment products.

| EXAMPLE – Perpetual Wholesale Balanced Growth Fund | | Balance of \$50,000 ¹ with a contribution of \$5,000 during year |
|--|--------|---|
| Contribution fees | Nil | For every additional \$5,000 you put in, you will be charged \$0.00. ² |
| PLUS Management costs | 1.040% | And , for every \$50,000 you have in the Fund you will be charged \$520.00 each year. |
| EQUALS Cost of Fund | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$520.00 . ² What it costs you will depend on the Fund you choose and, if applicable, the fees you negotiate with your adviser or Service operator. |

¹ We have assumed a constant value of \$50,000 for the whole year.

² A buy spread of 0.34%, equal to \$17.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 18 for further information).

How the Funds operate

As you are investing indirectly through a Service, you should refer to your Service operator for details of minimum transaction amounts, processing requirements and timeframes, distribution payment options, etc, as they may vary due to your Service operator's requirements. You should also use any relevant application and other forms provided by your Service operator.

Investments

You can invest in the Funds by directing your Service operator to lodge an investment application with us.

The PDS may be updated or replaced from time to time and you should read the current version before making any investment application in relation to the Funds. You can obtain a copy of the current PDS at our website or from or your Service operator.

How units are issued

If our Sydney office receives and accepts your Service operator's investment application by 3.00pm on any business day, your investment will be processed using that day's entry price. If received and accepted after 3.00pm it will be processed using the next calculated entry price. If it's a non-working day for Perpetual in Sydney, your investment will be processed using the next available entry price.

For current entry prices, visit our website or contact us.

The number of units issued to your Service operator is determined by dividing your investment amount by the applicable entry price (see 'How units are priced and investments are valued' on page 24 for details about asset valuations and unit prices).

We have the discretion not to accept applications and can delay processing them if we believe that's in the best interests of investors or if required by law.

Withdrawals

Perpetual Wholesale Monthly Income Fund

You can request a withdrawal of some or all of your investment in Perpetual Wholesale Monthly Income Fund at any time by directing your Service operator to lodge a withdrawal request with us stating the number of units or the amount to be withdrawn. However, withdrawals from Perpetual Wholesale Monthly Income Fund will only be paid quarterly, subject to cash being available.

We will assess the total of all withdrawal requests for Perpetual Wholesale Monthly Income Fund received during **each** calendar quarter against the cash available at the end of the quarter to pay those withdrawals. If the available cash is insufficient to cover the total of all withdrawal requests received, all withdrawal payment amounts will be reduced on a pro rata basis. If this happens, any withdrawal requests not satisfied in full will **not** be carried over to the next quarter. You will need to request your Service operator to lodge a new

withdrawal request if you want that amount to be considered for payment at the end of the next quarter. Please visit our website or contact us for details of historical withdrawal payout ratios.

Unless withdrawals have been suspended (see 'Suspension of applications and withdrawals' on page 25 for more details):

- any withdrawal request must be received and accepted by our Sydney office by 3.00pm (Sydney time) on the last business day of a calendar quarter (31 March, 30 June, 30 September and 31 December) for it to be considered for payment at the end of that quarter
- withdrawal requests received and accepted after 3.00pm (Sydney time) on the last business day of a calendar quarter will be deemed to have been lodged in the following quarter.

Withdrawals will be processed following the end of each quarter using the exit price calculated on the last business day of the quarter, adjusted for any distribution paid for that period. The proceeds of your withdrawal are usually available to your Service operator within 14 business days after the end of the quarter, given normal operating conditions. The maximum period allowed under Perpetual Wholesale Monthly Income Fund's constitution for payment of withdrawals is 90 business days.

All other Funds

You can withdraw all or part of your investment in a Fund at any time by directing your Service operator to lodge a withdrawal request with us stating the number of units or the amount to be withdrawn.

If our Sydney office receives and accepts your Service operator's withdrawal request by 3.00pm on any business day, your withdrawal will be processed using that day's exit price. If received and accepted after 3.00pm it will be processed using the next calculated exit price. If it's a non-working day for Perpetual in Sydney, your withdrawal will be processed using the next available exit price.

For current exit prices, visit our website or contact us.

The proceeds from your withdrawal will usually be available to your Service operator within 14 business days from when we have accepted the request, given normal operating conditions. The maximum period allowed under the Funds' constitutions for payment of withdrawals, after we have accepted the request, is as follows:

- 180 days for Perpetual Wholesale Property Income Fund
- 70 days for Perpetual Wholesale Diversified Income Fund, Perpetual Wholesale Dynamic Fixed Income Fund and Perpetual Wholesale Global Resources Fund

- 60 days for Perpetual Wholesale Geared Australian Fund and Perpetual Wholesale SHARE-PLUS Long-Short Fund
- 30 days for all other Funds.

We can delay processing withdrawal requests or stagger the payment of large amounts from a Fund according to its constitution if we believe that's in the best interests of investors (see 'Suspensions of applications and withdrawals' on page 25 for more information).

If you withdraw your units before the end of a distribution period, you won't receive a distribution for those units in that period. Your withdrawal amount will generally include your share of distributable income accrued in the Funds to the date of withdrawal as capital.

We may determine that part of your withdrawal amount represents a share of the distributable income including realised net capital gains for that distribution period. We will advise your Service operator if this happens.

Distributions

A distribution is the payment of a Fund's distributable income to investors at predetermined intervals. The distributable income may include interest, dividends, foreign income, realised net capital gains and other income (see 'Tax' on page 23 for further information). The components of a distribution will depend on the Fund you invest in and the nature of its underlying assets.

The distribution amount depends on the Fund's distributable income. The amount you receive will be proportionate to the number of units your Service operator holds on your behalf relative to the number of units on issue at the end of the distribution period. The amount will vary and sometimes there might not be any distribution.

At the end of each distribution period, a Fund's unit price will typically fall as it is adjusted to reflect the amount of any distribution paid. As the distribution amount you receive is based on the entire distribution period, the closer you invest before the end of a distribution period the greater the possibility is that you may receive back some of your capital as income in the distribution paid for that period.

Distribution frequencies and effective dates for distributions for each Fund are shown in the 'Funds profiles' on pages 7-12. Proceeds are generally paid to your Service operator within 21 days. However, the Funds' constitutions allow up to 180 days (depending on the Fund) after the end of the distribution period.

Each Fund's constitution lets us make special distributions on an interim basis without prior notice to you. However at 30 June each year, investors will be entitled to all distributable income that hasn't been distributed.

Any realised net capital gains are generally included in the 30 June distribution.

Distribution payment options

Please refer to your Service operator for details of any distribution payment options.

Interest earned on application, withdrawal and distribution accounts

Application money, proceeds of withdrawal requests and distribution amounts are held in trust accounts prior to being processed. A member of the Perpetual Group retains any interest earned on these accounts.

Tax

The tax consequences of investing in managed investment schemes are particular to your circumstances, so we recommend you see a tax adviser. This information is general only and shouldn't be relied on.

As you are investing indirectly through a Service, you should also refer to your Service operator for further information about the tax treatment of your investment in the Funds.

Tax position of the Funds

Generally, Australian income tax won't be payable by the Funds because investors will be 'presently entitled' to all of the distributable income of the Funds each year ending 30 June. If there is net income of a Fund that no investor is 'presently entitled' to, the Fund will be subject to tax at the highest marginal tax rate (plus Medicare levy).

Australian resident investors

Distributions

For information about the calculation of your distribution entitlement, see 'Distributions' on page 22.

The net income of the Funds allocated to you must be included in your income tax return for the year of the entitlement even if the distribution is received or reinvested in the following year – see 'Reporting' on page 24.

Capital gains tax

In addition to any realised net capital gains distributed to you, any withdrawal or transfer of units in the Funds may create a taxable gain or loss, which will be treated as a capital gain or loss, or as ordinary income, depending on your circumstances.

Annual tax statement

As you are investing indirectly through a Service, your Service operator will use the information we provide to prepare their statements for you.

Non-resident investors

Australian tax will be deducted from certain Australian sourced income and capital gains distributed to non-resident investors. Non-resident investors may also be subject to tax in the country they reside in, but may be entitled to a credit for some or all of the tax deducted in Australia.

Tax file number (TFN)/ Australian business number (ABN)

Providing your TFN isn't compulsory but without it or the appropriate exemption information your Service operator will have to withhold tax from your distributions at the highest marginal tax rate (plus Medicare levy) until your TFN or exemption is provided.

You may prefer to provide an ABN as an alternative to your TFN if your investment is made as part of an enterprise.

Please refer to your Service operator for more information on the collection of TFNs and ABNs for investors investing in the Funds through their Service.

Goods and services tax (GST)

GST of 10% generally applies to the fees, costs and expenses payable by the Funds, including management costs and other fees payable to us.

Generally, the Funds can't claim a credit for all of the GST paid but may be entitled to claim a reduced input tax credit (RITC), which represents 75% of the GST applicable to management costs and certain other expenses.

The management costs and other fees specified in the table within 'Fees and other costs' on page 16 show the approximate net cost to the Funds of these amounts payable to us, on the basis that the Fund is entitled to claim RITCs for the GST on these amounts.

Additional information

Registered managed investment schemes

Each Fund is a managed investment scheme that is registered with the Australian Securities and Investments Commission (ASIC). In some cases, a Fund's registered name (as stated in its constitution) differs from the marketing name used in this PDS. The following details for each Fund, which form part of this PDS, are publicly available at our website (see 'Incorporation by reference' on page 26 for details) or can be obtained free of charge by contacting us:

- marketing name
- registered name
- Australian Registered Scheme Number (ARSN).

Multiple unit classes

Some of the Funds' constitutions allow for multiple unit classes. For those Funds which currently have multiple unit classes, this PDS offers investment in the following classes of units.

| Marketing name of Fund in this PDS | Legal name of Fund | Class of units offered in this PDS |
|---|-------------------------------------|------------------------------------|
| Perpetual Wholesale Diversified Income Fund | Perpetual's Diversified Income Fund | Wholesale units |
| Perpetual Wholesale Global Resources Fund | Perpetual Resource Fund | Class B units |

Your cooling-off rights

No cooling-off rights apply in respect of any investment in the Fund acquired by your Service operator on your behalf. For information about any cooling-off rights that may apply to you in respect of the Service that you invest through, please contact your Service operator directly or refer to their disclosure document.

How units are priced and investments are valued

Unit prices for each Fund are calculated by:

- establishing the net asset value of the Fund
- for entry unit prices – adding the applicable transaction costs (buy spread) to the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the entry unit price
- for exit unit prices – deducting the applicable transaction costs (sell spread) from the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the exit unit price.

We generally determine the net asset value of each Fund on each business day. Valuations may also be made when money is deposited into, or withdrawn from, the Fund. The net asset value is calculated by deducting the value of a Fund's liabilities from the value of its gross assets.

The net asset value of investments in the Funds includes unrealised gains and losses and any income and realised gains accrued but not yet distributed. If unrealised gains are realised in the future, any assessable portion will be distributed to investors.

For Perpetual Wholesale Monthly Income Fund, direct investment in mortgages (if any) will be valued at the amount of outstanding principal and all other assets valued at cost of acquisition. For all other Funds, investments are valued at their market value. In all cases, we determine the calculation method according to the Fund's constitution. For those Funds investing in other managed funds, it will normally be based on the exit price of units in the underlying fund(s). We generally calculate and apply entry and exit unit prices each business day. However, if necessary, we may use a different method of valuation where the previously calculated price, or next available price, is used.

We can defer the calculation of unit prices where permitted by the relevant Fund's constitution and the law. For example, if significant delays occur where an underlying fund does not calculate or provide a price, transactions requiring the purchase and/or sale of units in the relevant Fund may not be processed until the underlying fund's unit price is determined.

A copy of our unit pricing policy, including details of any discretions that we may exercise in various circumstances, is available at our website or can be obtained free of charge by contacting us.

Reporting

All reports will be sent directly to your Service operator. They will use this information to provide you with regular reporting and information to help you complete your annual income tax return. Please contact your Service operator with any investor inquiries.

Continuous disclosure documents

The Funds may be subject to certain regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Funds may be obtained from, or inspected at, any ASIC office. You may obtain a copy of the following at our website (in accordance with ASIC guidance) or from us free of charge on request:

- a Fund's annual financial report most recently lodged with ASIC
- any half-yearly financial reports lodged with ASIC by a Fund after lodgement of that annual report
- any continuous disclosure notices given by a Fund after that date of lodgement of that annual report and
- any other material updates.

Your privacy

As you are investing indirectly through a Service, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your Service operator for more information about their privacy policy.

Inquiries and complaints

As you are investing indirectly through a Service, any inquiries or complaints about your investment through the Service or about the Service should be directed to your Service operator.

Investments and social security

If you are a personal investor, your investment in the Funds may affect your social security or pension entitlements. The calculations are complex so we recommend that you seek advice from your financial or tax adviser, or use the Centrelink Financial Information or the Veterans' Affairs Financial Information services.

Our role as responsible entity

Perpetual Investment Management Limited is the responsible entity of the Funds. Our main responsibilities are to manage a Fund according to its constitution and investment policy as well as properly administering it. We have established investment policy committees to set the investment objectives, investment guidelines and investment approach for the Funds. We may change a Fund's investment policy whenever we believe that's in the best interests of investors, without prior notice.

In carrying out our duties, we are subject to the Corporations Act and must:

- act honestly and in the best interests of investors
- exercise care and diligence.

Constitutions

All registered managed investment schemes are governed by a constitution. A Fund's constitution (as amended) governs the Fund's operation and, together with this PDS, the Corporations Act and other laws, regulates the Fund and our legal relationship with investors. The Funds' constitutions have been lodged with ASIC.

We can amend the Funds' constitutions as permitted by the Corporations Act. You may inspect the Funds' constitutions at our offices on any business day free of charge or obtain a free copy by contacting us.

Borrowing powers

All of the Funds' constitutions allow the Funds to borrow (limits apply in some cases). Most of the Funds currently don't intend to borrow as part of their investment strategy (see the 'Funds profiles' on pages 7-12 for details of the investment strategy for each Fund). However, borrowing may occur in the management of the Funds. To the extent permitted, the Funds may borrow from a variety of sources, including companies associated with the Perpetual Group (in which case the terms are set on a commercial basis).

Our liability

Subject to the Corporations Act, we're not liable to investors for any losses in any way relating to the Funds, except to the extent to which the loss is caused by our fraud, negligence or breach of trust.

Our liability is, subject to the Corporations Act, limited to our ability to be indemnified out of the assets of the Funds.

Suspension of applications and withdrawals

In certain emergency situations that impact the effective and efficient operation of a market for an asset in a Fund or in circumstances where we otherwise consider it to be in investors' interests, we may suspend processing all applications or withdrawals for that Fund in accordance with the Fund's constitution. This may include situations where:

- we cannot properly ascertain the value of an asset in the Fund
- an event occurs that results in Perpetual not being able to reasonably acquire or dispose of assets in the Fund
- an underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

For Perpetual Wholesale Geared Australian Fund we may also suspend withdrawals if its gearing level exceeds 75%. If a suspension occurs, the gearing level will be promptly reduced to 60% or lower.

Applications or withdrawal requests received during the suspension will be processed using the entry or exit price applicable when the suspension is lifted.

Withdrawal of large investments

We can in certain circumstances stagger the payment of large withdrawal requests. For example, if a withdrawal request represents more than 5% of the number of units on issue in a Fund, we have the right to stagger the withdrawal into five separate withdrawal requests over five successive business days.

Non-liquid Funds

If a Fund becomes non-liquid (as defined in the Corporations Act) withdrawals may only be made subject to an offer made according to the Corporations Act. In these circumstances, you will only be able to withdraw from a Fund if we make money available for withdrawals. The Corporations Act requires us to allocate this money on a pro rata basis among investors wanting to withdraw. We're under no obligation to offer you an opportunity to withdraw from a Fund while the Fund is non-liquid.

We will advise investors if a Fund becomes non-liquid and the terms of any withdrawal offer.

Incorporation by reference

The law allows us to provide certain information to you separately to the PDS, which is taken to be incorporated into the PDS, provided the PDS identifies this additional information and how you can access it.

The following incorporated information forms part of this PDS:

- details of current external specialist investment managers (if any)
- the current buy/sell spread for each Fund
- additional information about the investment management policies and details of the underlying portfolios for the Funds that have significant exposure to mortgages or unlisted property
- registered managed investment scheme details for the Funds.

This information is publicly available at www.perpetual.com.au/investment_funds/wholesale.htm or can be obtained free of charge by contacting us.

You should also read the incorporated information.

Applying for an investment

As you are investing indirectly through a Service, you should complete any application and other relevant forms provided by your Service operator.

Contact details

For further information, or a copy of any of our product disclosure statements, please contact Perpetual.

Website

www.perpetual.com.au

Email

investments@perpetual.com.au

Phone

During business hours (Sydney time)

Investor Service Centre

1800 022 033

Adviser Service Centre

1800 062 725

Fax

02 8256 1427

Postal address

No stamp required if posted in Australia

Reply Paid 4171
Perpetual Wholesale Funds
GPO Box 4171
Sydney NSW 2001
Australia

Perpetual Group State Offices

Australian Capital Territory

Level 6
10 Rudd Street
Canberra ACT 2601

New South Wales

Angel Place
Level 12
123 Pitt Street
Sydney NSW 2000

Queensland

Level 6
260 Queen Street
Brisbane QLD 4000

South Australia

Level 11
101 Grenfell Street
Adelaide SA 5000

Victoria

Level 35, Rialto South Tower
525 Collins Street
Melbourne VIC 3000

Western Australia

Exchange Plaza
Level 29
2 The Esplanade
Perth WA 6000

