



Perpetual Industrial Share Fund

Perpetual International Share Fund

Supplementary Product Disclosure Statement

number 1 dated 1 September 2011

for Product Disclosure Statement

issue number 4 dated 1 December 2009

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 4 dated 1 December 2009 for indirect investors only (PDS) for Perpetual Industrial Share Fund and Perpetual International Share Fund.

From 1 September 2011, the Product Disclosure Statement for Perpetual Industrial Share Fund and Perpetual International Share Fund comprises:

- the PDS
- this SPDS1.

Purpose of this SPDS1

The purpose of this SPDS1 is to:

- add disclosure covering the potential appointment of external specialist investment managers (page 2 of the PDS) and incorporate information into the PDS relating to any such appointments (page 14 of the PDS)
- broaden the objective and amend the investment approach for Perpetual International Share Fund (page 5 of the PDS)
- expand upon the purposes for which derivatives may be used in managing the Funds (page 5 of the PDS)
- update Perpetual Group's state office addresses in the Australian Capital Territory and Victoria (see back page of the PDS) to the following:

Australian Capital Territory

Level 6
10 Rudd Street
Canberra ACT 2601

Victoria

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

About the investment manager

The following text is added after the first paragraph under 'About the investment manager' on page 2 of the PDS.

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 managers at any time are available at our website (see 'Incorporation by reference' on page 14 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.

Funds profiles

Perpetual International Share Fund

Objective

The 'Objective' for Perpetual International Share Fund in the table on page 5 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 International Share Fund in the table on page 5 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.²

Footnotes to Funds profiles

The following point relating to the use of derivatives in managing the Funds is added to footnote 2 to the 'Funds profiles' on page 5 of the PDS.

- as an alternative to the direct purchase or sale of underlying investments or creating market exposure where there are transactional, tax or cost efficiencies.

Incorporation by reference

The second and third paragraphs under 'Incorporation by reference' on page 14 of the PDS are deleted and replaced with the following text.

The following incorporated information forms part of this PDS:

- the current buy/sell spread for each Fund
- details of current external specialist investment managers (if any).

This information is publicly available at www.perpetual.com.au/industrial-and-international-fund-update.aspx or can be obtained free of charge by contacting us.



Perpetual Industrial Share Fund

Perpetual International Share Fund

Product Disclosure Statement

Issue number 4 dated 1 December 2009

for indirect investors only

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

Important notes

In this Product Disclosure Statement (PDS), 'Funds' means both of the Funds offered in this PDS collectively and 'Fund' means one of the Funds, or a particular Fund, as the context requires. Each Fund is a managed investment scheme that is registered with the Australian Securities and Investments Commission (ASIC).

Fund marketing name	ARSN	Fund legal name
Perpetual Industrial Share Fund	089 547 875	Perpetual's Industrial Share Fund
Perpetual International Share Fund	090 691 624	Perpetual's International Share Fund

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 will 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 (including 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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About the investment manager

Perpetual Investments is one of Australia's leading investment managers, with \$29.3 billion in funds under management (as at 30 September 2009). 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.

Asset classes available

The main asset classes in which you can invest via the Funds offered in this PDS are summarised in the following table.

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.
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 3 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 quickly.

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 a Fund 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 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, political, legal, tax or accounting 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.
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.
Derivatives risk	Losses can occur if there is an adverse movement in the asset underlying the derivative or where a derivative is costly to reverse – see 'Funds profiles' on page 5 for further information about how derivatives may be used by the investment manager.
Counter-party risk	A loss may occur if the other party to a contract, including derivatives contracts, defaults on their obligations under the contract.
Foreign law and regulatory risk	Investing in foreign markets with different legal and regulatory systems means that foreign investments may be exposed to more risk than Australian assets because of potential changes in legal and regulatory policies.

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

The Funds profiles on page 5 provide a summary of the Funds offered in this PDS. 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 7 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 9 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.

Additional information

The following additional information, which forms part of the PDS, is available at our website (see 'Incorporation by reference' on page 14 for details) or can be obtained free of charge by contacting us:

- the buy/sell spread for each Fund (see 'Transaction costs' on page 7 for further information).

Environmental, social and ethical factors and labour standards

Increasingly investment managers are developing their own policies regarding their method for considering environmental, social (including labour standards) and governance (ESG) factors which may influence the purchase, sale or retention of an individual investment.

For the Funds, we will only take ESG factors into account to the extent that we believe they may impact the current and potential future quality or value of an individual investment (either positively or negatively).

Funds profiles

	Perpetual Industrial Share Fund	Perpetual International Share Fund								
Commencement date	August 1966	April 1986								
Management cost (pa)	1.95% for Class A units ¹	2.15%								
Suggested length of investment	Five years or longer	Five years or longer								
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	Yearly – 30 June								
Objective	Aims to provide long-term capital growth and income through investment in quality Australian industrial shares and other securities.	Aims to provide long-term capital growth through investment in international shares and other securities.								
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 – recurring earnings. <p>Derivatives may be used in managing the Fund.²</p>	<p>Perpetual adopts a fundamental, bottom-up approach to stock selection focusing on quality companies (strong balance sheets, earnings visibility and competitive position) with attractive valuations within a global framework.</p> <p>Currency exposure may be hedged (using derivatives) up to 30% of the value of the Fund.</p> <p>Derivatives may be used in managing the Fund.²</p>								
Investment guidelines	<table border="0"> <tr> <td>Australian shares</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table>	Australian shares	90-100%	Cash	0-10%	<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%
Australian shares	90-100%									
Cash	0-10%									
International shares	90-100%									
Cash	0-10%									

1 See 'Perpetual Industrial Share Fund – multiple unit classes' on page 13 for details.

2 A derivative is a financial instrument that derives its value from the price of a physical security or market index. Derivatives may be used to:

- adjust currency exposure (where appropriate)
- hedge selected shares or securities against adverse movements in market prices
- gain exposure to relevant indices
- gain short-term exposure to the market
- build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up.

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 per cent of your fund balance rather than 1 per cent could reduce your final return by up to 20 per cent 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.fido.asic.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.

Tax information, including goods and services tax (GST), is set out on pages 11-12. 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.

Fees and other costs for each of the Funds are set out in the 'Funds profiles' on page 5. 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.

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}	Not applicable.
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 fee for each Fund is shown in the 'Funds profiles' on page 5.	Management fee: Currently 1.95%-2.15% pa of your account balance within a Fund, depending on the Fund. ² Expenses of the Funds, excluding abnormal operating expenses and transaction costs, are included in this amount.	The management fees, 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.
Service fees		
Investment switching fee The fee for changing Funds	Nil.	Not applicable.

1 A buy/sell spread will generally apply (see 'Transaction costs' on page 7 for details).

2 See 'Maximum fees and charges' on page 7 for details of the maximum fee amounts allowed under the Funds' constitutions.

3 See 'Management costs' on page 7 for further details.

Additional explanation of fees and costs

Management costs

Management costs include:

- the management fee
- expense recoveries
- abnormal operating expenses.

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, performance fees and transaction costs) out of our management fee.

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.

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.

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 14 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.

Maximum fees and charges

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

Perpetual Industrial Share Fund

Fee or cost	Maximum
Contribution fee	5.00 per cent of the application amount
Withdrawal fee	Not applicable
Management fee	2.032% pa of total assets of the Fund
Expense recoveries	Unlimited

Perpetual International Share Fund

Fee or cost	Maximum
Contribution fee	6.00 per cent of the application amount
Withdrawal fee	2.00 per cent of the withdrawal proceeds
Management fee	2.408% pa of total assets of the Fund
Expense recoveries	Unlimited

Amounts disclosed are inclusive of 10 per cent GST.

Increases or alterations to the fees

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 withdrawal fees, without giving your Service operator at least 30-days' written notice except for government fees or charges.

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 or waivers are negotiated with wholesale clients but are ultimately at our discretion, subject to the Corporations Act and ASIC policy. Please contact your adviser for details of any fee rebates or waivers that may have been negotiated.

Tax

Tax information, including GST, is set out on pages 11-12.

Adviser remuneration

No commissions are paid to your financial adviser.

Platform 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 cent per annum (including 10 per cent GST, if applicable) of the funds invested via the dealer group.

Examples of annual fees and costs

This table gives an example of how the fees and costs in Perpetual Industrial Share 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 Industrial Share Fund		Balance of \$50,000 ¹ with a contribution of \$5,000 during year
Contribution fees	0.00%	For every additional \$5,000 you put in, you will be charged \$0.00. ²
PLUS Management costs	1.95%	And , for every \$50,000 you have in the Fund you will be charged \$975.00 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 \$975.00 . 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 currently 0.20%, equal to \$10.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 7 for further information).

This table gives an example of how the fees and costs in Perpetual International Share 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 International Share Fund		Balance of \$50,000 ³ with a contribution of \$5,000 during year
Contribution fees	0.00%	For every additional \$5,000 you put in, you will be charged \$0.00. ⁴
PLUS Management costs	2.15%	And , for every \$50,000 you have in the Fund you will be charged \$1,075.00 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 \$1,075.00 . ⁴ What it costs you will depend on the Fund you choose and, if applicable, the fees you negotiate with your adviser or Service operator.

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

4 A buy spread of currently 0.50%, equal to \$25.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 7 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 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 13 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 the law (see 'Suspension of applications and withdrawals' on page 14 for further information).

Withdrawals

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 30 days.

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 14 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 pages 11-12 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 from year to year 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 and not just the period since you invested, 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 page 5. Proceeds are generally paid to your Service operator within 21 days. However, the constitutions for Perpetual Industrial Share Fund and Perpetual International Share Fund allow up to 30 days and 60 days respectively 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).

Realised gains

The distributable income of a Fund may be made up of taxable and non-taxable components. The taxable components may include realised gains (capital and/or revenue), which will be distributed as either net capital gains or ordinary income (domestic or foreign).

Tax losses

If a Fund incurs a net revenue tax loss or a net capital loss, it must be carried forward and applied against assessable income or net capital gains in future years, if certain loss recoupment tests are met.

Franking credits

The Funds will receive franking credits from franked dividends received, which will be distributed to investors if certain conditions are met.

It's possible that a Fund won't meet the required conditions because of the investment strategy used, so some franking credits we receive can't be distributed to you.

Foreign income and foreign tax credits

The Funds may pay foreign tax on foreign source income. This will create foreign tax credits that will be distributed to investors if certain conditions are met.

Foreign Investment Funds (FIF)

Unrealised gains on investments held by the Funds at the end of the financial year in certain foreign companies and trusts may be treated as taxable (FIF income) if one or more foreign investment fund (FIF) exemptions aren't met.

We monitor the FIF position of the Funds and the conditions for exemption. It is our intention that no FIF income will have to be distributed to you.

Withholding tax obligations

Your Service operator may have to deduct tax from your distributions if you are a non-resident investor (see page 12) or if you don't provide a tax file number (TFN) or Australian business number (ABN).

Australian resident investors

Distributions

For information about the calculation of your distribution entitlement, see 'Distributions' on page 9.

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 'Annual tax statement' on page 12.

Franking credits

If a Fund is entitled to distribute franking credits, you'll need to include your share of franked dividend income and franking credits in your taxable income.

A tax offset, equal to the amount of franking credits, will be applied to reduce the tax you would otherwise have to pay on your total taxable income. Your entitlement to claim this depends on you satisfying certain conditions.

Individuals and complying super funds may receive a refund for excess franking credits. Corporate investors may be entitled to convert excess franking credits into tax losses.

Foreign income and foreign tax credits

If a Fund is entitled to distribute foreign tax credits, you'll need to include your share of foreign source income and foreign tax credits in your taxable income.

You may be able to use these foreign tax credits to reduce the Australian tax payable on your foreign source income. Foreign tax credits can only be used to offset the tax on the net foreign source income portion of your taxable income. Any foreign tax credits distributed to you that cannot be used are not available to be carried forward for use in later years.

Capital gains tax

In addition to any realised net capital gains distributed to you, any withdrawal from 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.

Non-assessable amounts distributed to you may reduce the cost base of your units, which will cause an increased capital gain or a reduced capital loss on the subsequent disposal of units.

If you have held your units continuously for at least 12 months, individuals and trusts may be entitled to a capital gains tax discount of 50 per cent while complying super funds may be entitled to a capital gains tax discount of 33½ per cent. Companies are not entitled to any discount.

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.

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.

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.

Non-residents don't have to provide a TFN or ABN.

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 per cent 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 per cent 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 6 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

Perpetual Industrial Share Fund – multiple unit classes

The constitution for Perpetual Industrial Share Fund allows for multiple unit classes. This PDS offers investment in the 'Class A' units for this Fund.

Your cooling-off rights

No cooling-off rights apply in respect of any investment in the Funds 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.

Investments of each Fund are valued at their market value, using a calculation method that we determine 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 without charge on request.

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's good practice guidance for website disclosure) 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.

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.

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.

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

Both of the Funds' constitutions allow the Funds to borrow (limits apply in some cases). The Funds currently don't intend to borrow as part of their investment strategy (see the 'Funds profiles' on page 5 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. 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.

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

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:

- the current buy/sell spread for each Fund.

This information is publicly available at www.perpetual.com.au/pdf/buysellspreads.pdf 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

1800 022 033

Adviser service

1800 062 725

Fax

02 8256 1427

Postal address

No stamp required if posted in Australia

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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 28
360 Collins Street
Melbourne VIC 3000

Western Australia

Exchange Plaza
Level 29
2 The Esplanade
Perth WA 6000

The logo for Perpetual, featuring the word "Perpetual" in a serif font followed by a large, stylized, black script letter "P".