



PPI 4 Super Investment Loan compliance with SIS section 67(4A)

The Super Investment Loan and Annual Interest Loan are designed to enable Superannuation Investors to borrow to acquire their portfolio as permitted by section 67(4A) of the Superannuation Industry (Supervision) Act 1993 (SIS Act).

Legislative requirement	How PPI 4 satisfies the legislative requirement
Money is applied for acquisition of an asset (Original Asset)	<p>Proceeds of Super Investment Loan are applied to acquire units in the underlying funds selected by the Super Investor.</p> <p>Annual Interest Loan proceeds are applied to interest costs of Super Investment Loan, i.e. costs of acquiring the Original Asset.</p>
Original Asset (or Replacement Asset) is held on trust. Super Fund acquires beneficial interest	<p>Units are held on trust (within the PPI 4 trust) by Perpetual as a bare trustee, so Super Investor acquires a beneficial interest.</p> <p>Any call options or cash (Replacement Assets) are also held within the PPI 4 trust, by Perpetual as bare trustee for the benefit of Investors.</p>
Super Fund has right to acquire legal ownership by making more payments	Super Investor has right to acquire legal ownership of underlying units held through PPI4 by repaying loan(s).
Rights of lender against Super Fund for default are limited to Original Asset or Replacement Asset	The Super Investment Loan (and any associated Annual Interest Loan to a Super Investor) is limited recourse. Perpetual's right of recovery is limited to the Original Assets or Replacement Assets.
Original Asset and Replacement Assets are not prohibited investments	Interests in a managed investment scheme, call options and cash are not prohibited investments under the SIS Act.

IMPORTANT NOTE

Superannuation law is complex and both the law and its interpretation can change. Failing to comply with your Superannuation Fund's governing rules (including the trust deed and SIS Act) can have serious consequences. You should seek your own professional advice on whether the product is a suitable investment for your Superannuation Fund. Please refer to your adviser for more information.