

# IMPLEMENTED PORTFOLIOS

## Supplementary Product Disclosure Statement

### 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 3 dated 1 June 2017 (PDS) for Implemented Portfolios.

From 1 November 2017, the Product Disclosure Statement for Implemented Portfolios comprises:

- the PDS
- this SPDS1.

### PURPOSE OF THIS SPDS1

The purpose of this SPDS1 is to update:

- benchmarks for various asset types
- relevant tax-related disclosures following our election into the Attribution Managed Investment Trust (AMIT) regime for each Portfolio for the 2017/2018 and subsequent financial years.

### PORTFOLIO PROFILES

#### IMPLEMENTED INTERNATIONAL SHARE PORTFOLIO

The 2nd dot point within the 'Objective' in the Portfolio profile for the Implemented International Share Portfolio on page 8 of the PDS is deleted and replaced with the following dot point.

- outperform the MSCI All Country World Index – Net Return (unhedged in AUD) (before fees and tax) over rolling three-year periods.

### FOOTNOTES TO PORTFOLIO PROFILES

Footnotes 1 and 3 on page 8 of the PDS are deleted and replaced with the following footnotes:

- 1 The composite benchmark comprises:
  - Bloomberg AusBond Composite 0+ Yr Index for Australian fixed income
  - Bloomberg AusBond Bank Bill Index for diversified credit
  - Bloomberg Barclays Global Aggregate Index (hedged in AUD) for international fixed income.
- 3 The composite benchmark comprises:
  - S&P/ASX 300 A-REIT Accumulation Index for Australian real estate
  - FTSE EPRA/NAREIT Developed Index – Net Return (unhedged in AUD) for international real estate.

### HOW THE PORTFOLIOS OPERATE

#### DISTRIBUTIONS

##### DISTRIBUTION PAYMENT OPTIONS

The 2nd paragraph on page 15 of the PDS is deleted and replaced with the following paragraph.

As the Portfolios have elected into the AMIT regime, there may be implications for distributions (see 'Tax' on page 16 for details).

### SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT NUMBER 1 DATED 1 NOVEMBER 2017

for Product Disclosure Statement issue number 3 dated 1 June 2017  
Issued by Perpetual Investment Management Limited  
ABN 18 000 866 535 AFSL 234426

Perpetual 

## TAX

### ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The 2nd paragraph on page 16 of the PDS is deleted and replaced with the following paragraph.

We have elected into the AMIT regime for the Portfolios for the 2017/2018 and subsequent financial years.

### TAX POSITION OF THE PORTFOLIOS

The sub-sections 'Current tax law' and 'AMIT regime' on page 16 of the PDS are deleted and replaced with the following paragraph.

Investors will be subject to tax on the income of the Portfolios that is attributed to them under the AMIT rules each year ending 30 June. The amount attributed to an investor will be shown on their annual tax statement. If there is income of a Portfolio that is not attributed to an investor, the Portfolio will be subject to tax at the highest marginal tax rate (plus Medicare levy).

## AUSTRALIAN RESIDENT INVESTORS

### DISTRIBUTIONS

The 2nd paragraph on page 16 of the PDS is deleted and replaced with the following paragraph.

The income of the Portfolios distributed 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 this page.

The sub-heading 'AMIT regime' and the ensuing text ahead of the two dot points on page 16 of the PDS are deleted and replaced with the following text.

The AMIT rules also allow us to:

### CAPITAL GAINS TAX

The paragraph on page 16 of the PDS is deleted and replaced with the following paragraph.

In addition to any realised net capital gains attributed to you, any withdrawal or transfer of units in the Portfolios 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-RESIDENT INVESTORS

The paragraph on page 16 of the PDS is deleted and replaced with the following paragraph.

Australian tax will be deducted from certain Australian sourced income and capital gains attributed 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)

The 1st paragraph on page 16 of the PDS is deleted and replaced with the following paragraph.

Providing your TFN isn't compulsory but without it or the appropriate exemption information Perpetual Private will have to withhold tax from the income attributed to you at the highest marginal tax rate (plus Medicare levy) until your TFN or exemption<sup>1</sup> is provided.

# IMPLEMENTED PORTFOLIOS

Product Disclosure Statement

**Supplementary included**

**PRODUCT DISCLOSURE STATEMENT  
ISSUE NUMBER 3 DATED 1 JUNE 2017**  
Issued by Perpetual Investment Management Limited  
ABN 18 000 866 535 AFSL 234426

Perpetual 

## IMPORTANT NOTES

In this Product Disclosure Statement (PDS), 'Implemented Portfolios' (Portfolios) is the Perpetual collective marketing name for the investment funds (Funds) offered in this PDS and 'Portfolio' means one of the Portfolios in the relevant context. Each Fund is a managed investment scheme that is registered with the Australian Securities and Investments Commission (ASIC) – refer 'Multiple unit classes and marketing fund names' on page 18 for details.

The constitution for each Fund allows for multiple unit classes. This PDS offers investment in the 'wholesale' class of units in each Fund under its Perpetual marketing fund name. Any reference to the Funds in this PDS is a reference to the wholesale class of units in the relevant registered managed investment scheme.

References in this PDS to 'we', 'us', 'our' and 'Perpetual' are to Perpetual Investment Management Limited as:

- the responsible entity of the Funds
- the issuer of units in the Funds and this PDS
- the investment manager responsible for the selection of the specialist investment managers.

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.

In this PDS, 'Perpetual Private' refers to the Perpetual Group subsidiaries that act as a trustee, custodian, executor or attorney, or the operator of an investor directed portfolio service (IDPS), as applicable.

We authorise the use of this PDS as disclosure for:

- trusts, estates and agencies for which Perpetual Private is a trustee, executor or attorney
- investors who wish to access the Portfolios through an IDPS, IDPS-like scheme, or a nominee or custody service provided by Perpetual Private
- DIY superannuation funds for which Perpetual Private is the trustee or custodian,

which are collectively referred to in this PDS as a 'Service'.

Investment in the Portfolios through this PDS is offered exclusively to clients of Perpetual Private investing through a Service (referred to as 'you' or 'your' in this PDS).

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

This PDS describes the important features of the Portfolios. You should read it carefully before you decide to invest as it will help you to decide whether the Portfolios are appropriate for you. It contains general information only and doesn't take into account your objectives, financial situation or needs. This PDS may also help when comparing the Portfolios to other funds you may be considering.

We recommend that you consider the appropriateness of this information having regard to your objectives, financial situation and needs and seek financial advice before making an investment decision. If you have questions about investing in the Portfolios, you should speak to your financial adviser. You should consider the tax implications of investing in the Portfolios, 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 Portfolios 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. Any replacement and/or supplementary PDS will be available at our website and you can also obtain a paper copy free of charge, on request. If there is an increase in our fees or charges, we'll give Perpetual Private at least 30-days' prior written notice.

You should keep a copy of the current PDS and any replacement and/or supplementary PDS for future reference.

Contact Perpetual Private for the most up-to-date past investment returns for the Portfolios. Past investment returns are not indicative of future returns, so you shouldn't base your decision to invest in the Portfolios 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 Portfolios 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.

The logo for Perpetual, featuring the word "Perpetual" in a blue serif font, followed by a large, stylized blue flourish that loops around the end of the word.

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# THE PORTFOLIOS' INVESTMENT APPROACH

## A MULTI-MANAGER INVESTMENT APPROACH

The Portfolios adopt a multi-manager approach to investing, where Perpetual chooses several specialist investment managers for the various asset classes to manage the assets of the Portfolios. This multi-manager approach reduces the risk associated with using a single specialist investment manager, as an individual specialist investment manager's performance can change over time or with different market conditions.

Perpetual chooses specialist investment managers to combine their different styles, philosophies, approaches and techniques, with the aim of enhancing diversification within each asset class and producing more consistent returns.

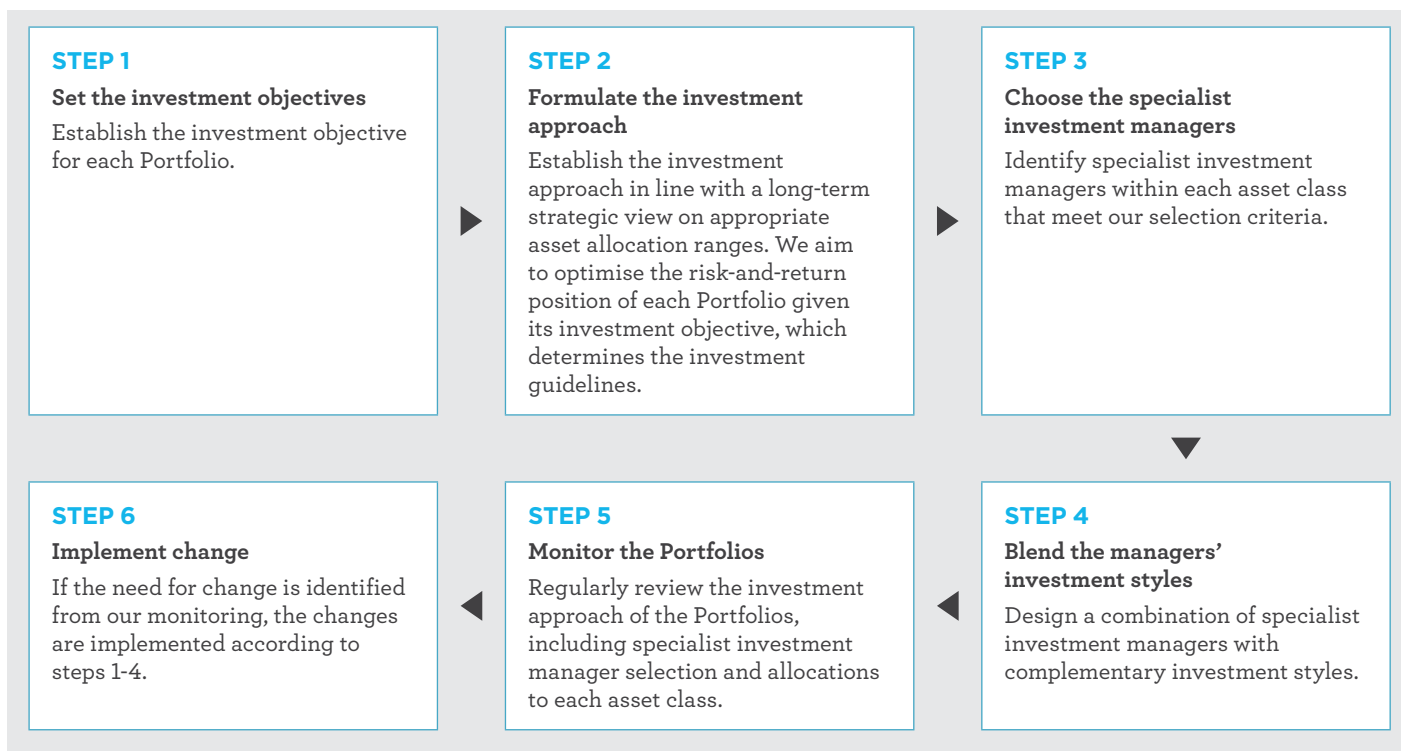
Each specialist investment manager is subject to a rigorous selection process and regular monitoring. The selection and monitoring process is conducted by Perpetual's experienced investment team. External consultants contribute to certain aspects of the specialist investment manager screening or portfolio construction but any decisions about the appointment of specialist investment managers rests with Perpetual.

## THE SPECIALIST INVESTMENT MANAGERS

The specialist investment managers are regularly reviewed and may be appointed or removed at any time without notifying you. As a result, the specialist investment managers may vary throughout the life of your investment. Details about the current specialist investment managers at any time, which forms part of the PDS, are available at our website (see 'Incorporation by reference' on page 20 for details) or can be obtained free of charge by contacting us.

## THE MULTI-MANAGER INVESTMENT PROCESS

There are six main steps in the multi-manager investment process.



# PORTFOLIO INVESTMENTS

The main asset classes in which the Portfolios may invest are summarised in the following table.

## THE MAIN ASSET CLASSES

ASSET CLASS	DESCRIPTION OF INVESTMENT
<b>Cash</b>	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.
<b>Fixed income</b>	Fixed income instruments are 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.
<b>Diversified credit (including mortgages)</b>	<p>Credit may involve investing in income generating securities such as corporate debt, mortgages, infrastructure debt, private debt, asset-backed and debt-like hybrid securities, discount securities and sub-investment grade securities that have higher credit risk and less liquidity than cash and fixed income investments.</p> <p>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.</p>
<b>Real estate</b>	A real estate (property) investment involves buying shares that represent a portion of ownership in a property related company, buying units in an 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.
<b>Shares</b>	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.

# UNDERSTANDING INVESTMENT RISK

## THE RISKS OF INVESTING

All investments carry risk. The value of your investment may fall for a number of reasons, which means that you may receive back less than your original investment when you withdraw or you may not receive income over a given 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 Portfolios, we have detailed in the following table significant risks that may affect your investment.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy, and assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

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

## SIGNIFICANT RISKS

TYPE OF RISK	DESCRIPTION OF RISK
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 in the value 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.
Derivatives risk	Derivative values can fluctuate significantly and in certain circumstances a derivative can be more volatile than the underlying asset or index. The value of a derivative contract may fall as a result of an adverse movement in the underlying asset or index. Losses can be magnified where a greater exposure is created through the derivative position than is backed by the assets of a fund. Derivatives may also be subject to liquidity risk and/or counter-party risk. Depending on market conditions derivative positions can be costly or difficult to reverse.  A counterparty may also be required to take collateral from a fund's assets to support a derivatives contract. Therefore, there is a risk that if the counterparty becomes insolvent, the fund's assets may not be returned in full. See 'Use of derivatives' on page 5 for further information about how derivatives may be used by the specialist 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 differences in rules (including interpretation of the law) in domestic and foreign markets, including those dealing with taxation, accounting and investments, may adversely impact your investment.
Other risks	The investment professionals employed by the appointed specialist investment managers or Perpetual may change, which may affect the future performance of a Portfolio. Investing in a Portfolio may have a different tax outcome than investing in assets directly because of the application of tax laws to the Portfolio 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 (see 'Suspension of applications and withdrawals' on page 19 for further information). A Portfolio may be terminated.



## MANAGING THE RISKS

### USE OF DERIVATIVES

A derivative is a financial instrument that derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, swaps and forward foreign exchange contracts.

Derivatives may be used in the Portfolios and by the specialist investment managers in the management of their funds for a range of investment activities including, but not limited to, the following purposes:

- managing investment risk and volatility of a stock, security or market
- managing actual and anticipated interest rate risk and credit exposure
- managing currency risk and adjusting currency exposure
- achieving asset exposures without buying or selling the underlying securities
- generating additional income
- managing strategic and tactical asset allocation strategies
- taking advantage of price differences (known as arbitrage).

### HOW WE MANAGE RISK

We can't eliminate investment risks, however Perpetual (as the responsible entity of the Funds) and the specialist investment managers (including Perpetual) aim to manage the impact of these risks by:

- following consistent and carefully considered investment guidelines
- diversifying across several specialist investment managers.

### HOW YOU CAN MANAGE YOUR INVESTMENT RISK

The most significant risk in investing is that you don't reach your financial goals. It's important to consider your investment timeframe, your investment goals and your risk tolerance and we recommend you consult a financial adviser to assist you in determining these. This will help with your choice of investment and the level of diversification you need.

### DIVERSIFICATION

Diversifying your investments can help reduce the volatility of investment returns.

You can achieve diversification across different asset classes easily in the Portfolios by mixing your own investment by combining single-asset class Portfolios.

## FLEXIBILITY TO CHANGE

After you have made your investment selection you still have the flexibility to change your mind. It's easy to restructure your investment at any time, giving you the ability to concentrate or diversify your portfolio as you require.

# PORTFOLIO PROFILES

The Portfolio profiles on pages 7-8 provide a summary of the Portfolios offered within the Implemented Portfolios. For more details and any updated information about the Portfolios, visit our website or contact us.

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

## COMMENCEMENT DATE

The commencement date is the month and year that the registered managed investment scheme commenced.

## RISK LEVEL

The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen Portfolio(s).

The SRMs for the Portfolios may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations by the investment manager. Any changes to SRMs at any time will be available at our website.

## SUGGESTED LENGTH OF INVESTMENT

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

## DISTRIBUTION FREQUENCY AND DATES

The distribution frequency is how often the Portfolio usually makes a distribution. The distribution dates are the effective dates for distributions. Payment of distributions not reinvested occurs after the distribution date (see 'Distributions' on page 14 for details).

## OBJECTIVE

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

## INVESTMENT APPROACH

This is the method or principles our investment team uses to manage the Portfolio to meet its objectives. This may include using derivatives (see 'Use of derivatives' on page 5 for more information).

## INVESTMENT GUIDELINES

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

Cash may also be held for liquidity in the underlying funds, so the overall cash allocation may be greater than stated.

## ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS

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

As the responsible entity of the Funds, we consider these policies when choosing specialist investment managers only to the extent that they may have an effect on an investment manager's style and investment performance. We will neither choose nor exclude a specialist investment manager solely on their ESG policies/practices but it will contribute to our overall assessment of a manager's style and capability.

Perpetual is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider ESG factors in their investment decision-making and ownership practices.

Where Perpetual is the investment manager, our consideration of ESG factors does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, we consider those ESG risks and opportunities only to the extent that they are relevant to the current or future value of the investment. For share investments, we may also actively engage with companies to encourage them to improve their ESG practices where we believe it is in the interest of a Portfolio's investors.

IMPLEMENTED FIXED INCOME PORTFOLIO		IMPLEMENTED REAL ESTATE PORTFOLIO															
<b>Commencement date</b> March 1999		<b>Commencement date</b> March 1999															
<b>Risk level</b> 3 – Low to medium		<b>Risk level</b> 7 – Very high															
<b>Suggested length of investment</b> Two years or more		<b>Suggested length of investment</b> Five years or more															
<b>Distribution frequency and dates</b> Quarterly – 31 March, 30 June, 30 September, 31 December		<b>Distribution frequency and dates</b> Quarterly – 31 March, 30 June, 30 September, 31 December															
<b>Objective</b> The Portfolio aims to: <ul style="list-style-type: none"> <li>• provide investors with income and capital stability through investment in a diversified portfolio of fixed income and diversified credit investments (including mortgages)</li> <li>• outperform (before fees and tax), over rolling three-year periods, a composite benchmark<sup>1</sup> reflecting the Portfolio's target allocation at any time to the various asset types.</li> </ul>		<b>Objective</b> The Portfolio aims to: <ul style="list-style-type: none"> <li>• provide investors with income and long-term capital growth through investment in a diversified portfolio of Australian and international real estate investment trusts and unlisted property trusts<sup>2</sup></li> <li>• outperform (before fees and tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the Portfolio's target allocation at any time to the various asset types.</li> </ul>															
<b>Investment approach</b> The Portfolio combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Portfolio by avoiding over exposure to a particular specialist investment manager. The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.		<b>Investment approach</b> The Portfolio combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Portfolio by avoiding over exposure to a particular specialist investment manager. The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.															
<b>Investment guidelines</b> <table border="0"> <tr> <td>Australian fixed income</td> <td>0-100%</td> </tr> <tr> <td>Diversified credit (including mortgages)</td> <td>0-100%</td> </tr> <tr> <td>International fixed income</td> <td>0-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table>		Australian fixed income	0-100%	Diversified credit (including mortgages)	0-100%	International fixed income	0-100%	Cash	0-20%	<b>Investment guidelines</b> <table border="0"> <tr> <td>Australian real estate</td> <td>0-100%</td> </tr> <tr> <td>International real estate</td> <td>0-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table>		Australian real estate	0-100%	International real estate	0-100%	Cash	0-20%
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You should refer to page 8 for details of footnotes.

IMPLEMENTED AUSTRALIAN SHARE PORTFOLIO		IMPLEMENTED INTERNATIONAL SHARE PORTFOLIO	
<b>Commencement date</b> March 1999		<b>Commencement date</b> March 1999	
<b>Risk level</b> 6 – High		<b>Risk level</b> 6 – High	
<b>Suggested length of investment</b> Five years or more		<b>Suggested length of investment</b> Five years or more	
<b>Distribution frequency and dates</b> Quarterly – 31 March, 30 June, 30 September, 31 December		<b>Distribution frequency and dates</b> Quarterly – 31 March, 30 June, 30 September, 31 December	
<b>Objective</b> The Portfolio aims to: <ul style="list-style-type: none"> <li>• provide investors with long-term capital growth and income through investment in a diversified portfolio of Australian shares<sup>4</sup></li> <li>• outperform (before fees and tax) the S&amp;P/ASX 300 Accumulation Index over rolling three-year periods.</li> </ul>		<b>Objective</b> The Portfolio aims to: <ul style="list-style-type: none"> <li>• provide investors with long-term capital growth through investment in a diversified portfolio of international shares<sup>5</sup></li> <li>• outperform (before fees and tax) the MSCI All Country World Index (unhedged) in Australian dollars over rolling three-year periods.</li> </ul>	
<b>Investment approach</b> The Portfolio combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Portfolio by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the Portfolio.		<b>Investment approach</b> The Portfolio combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the Portfolio by avoiding over exposure to a particular specialist investment manager. The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.	
<b>Investment guidelines</b>		<b>Investment guidelines</b>	
Australian shares <sup>4</sup>	80-100%	International shares <sup>5</sup>	80-100%
Cash	0-20%	Cash	0-20%

## FOOTNOTES TO PORTFOLIO PROFILES

- The composite benchmark comprises:
  - Bloomberg AusBond Composite O+ Yr Index for Australian fixed income
  - Bloomberg AusBond Bank Bill Index for diversified credit
  - Barclays Capital Global Aggregate Index (hedged in Australian dollars) for international fixed income.
- Also permitted to be included are company shares, unit trusts and other securities that are expected to have a return related to property investments or management as their dominant underlying assets.
- The composite benchmark comprises:
  - S&P/ASX 300 A-REIT Accumulation Index for Australian real estate
  - FTSE EPRA/NAREIT Global Real Estate Index for international real estate.
- Securities listed on overseas exchanges may be purchased subject to limits agreed by Perpetual.
- Securities listed on the Australian Securities Exchange may be purchased subject to limits agreed by Perpetual.

# 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 investment 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](http://www.moneysmart.gov.au)) has a managed funds 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 costs may be deducted from your money, from the returns on your investment or from the Portfolios' assets as a whole.

Tax information, including goods and services tax (GST), is set out on page 16. 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.

As you are an indirect investor, any additional fees that you may be charged by Perpetual Private for investing in the Portfolios via their Service should be set out in your Service operator's disclosure document.

## FEES AND OTHER COSTS

IMPLEMENTED PORTFOLIOS			
TYPE OF FEE OR COST	AMOUNT		HOW AND WHEN PAID
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT</b>			
<b>Establishment fee</b> The fee to open your investment	Nil.		Not applicable.
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil. <sup>1,2</sup>		Not applicable.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil. <sup>1,2</sup>		Not applicable.
<b>Exit fee</b> The fee to close your investment	Nil.		Not applicable.
<b>MANAGEMENT COSTS<sup>2,3</sup></b>			
The fees and <b>estimated</b> costs for managing your investment	<b>Implemented Portfolio</b>	<b>Estimated total management cost (% pa)</b>	Management costs are charged directly to the Portfolios and/or incurred indirectly in underlying funds.
	Fixed Income	0.50%	The method and frequency of deduction of each component differs (see 'Management costs' on pages 10-11 for details).
	Real Estate	0.71%	
	Australian Share	1.19%	
	International Share	1.06%	
<b>SERVICE FEES</b>			
<b>Switching fee</b> The fee for changing investment options	Nil.		Not applicable.

1 A buy/sell spread will generally apply (see 'Transaction costs' on page 11 for further information and 'Incorporation by reference' on page 20 for details of how to obtain current buy/sell spread amounts).

2 See 'Maximum fees and charges' on page 11 for details of the maximum fee amounts allowed under the Funds' constitutions.

3 See 'Management costs' on page 10 for further details.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### MANAGEMENT COSTS

The total management cost for each Portfolio comprises its:

- management fee
- indirect costs.

The amounts shown in the following table include all management fees and estimated indirect costs as at the date of the PDS. The indirect costs information is based on information available and (if applicable) estimates as at the date of this PDS. Any updates from time to time, which are not materially adverse, will be available at our website.

Management costs may vary in future years. Updated details will also be available at our website each year.

### ESTIMATED MANAGEMENT COSTS

IMPLEMENTED PORTFOLIO	MANAGEMENT FEE (% PA)	ESTIMATED EXPENSE RECOVERIES (% PA) <sup>1</sup>		TOTAL ESTIMATED MANAGEMENT COST (% PA) <sup>4</sup>
		ESTIMATED PERFORMANCE-RELATED FEES <sup>2</sup>	ESTIMATED OTHER INDIRECT COSTS <sup>3</sup>	
Fixed Income	0.44%	n/a	0.06%	<b>0.50%</b>
Real Estate	0.67%	n/a	0.04%	<b>0.71%</b>
Australian Share	0.87%	0.29%	0.03%	<b>1.19%</b>
International Share	0.90%	0.12%	0.04%	<b>1.06%</b>

1 Estimated indirect costs are based on indirect costs for the financial year ended 30 June 2016, which may vary in future years. See 'Indirect costs' on this page for further information.

2 **Past performance and these estimates are not indicative of future returns.** Performance-related fees payable in the future may vary depending on:

- the portion of the Portfolio's assets that are subject to performance-related fees
- the Portfolio's allocation between the relevant specialist investment managers charging differing performance-related fees against varying outperformance benchmarks
- the actual investment returns each specialist investment manager achieves.

See 'Performance-related fees' on this page for further details.

3 These estimated amounts include any other indirect costs associated with investing in the underlying funds and any relevant derivatives. Any abnormal operating expenses incurred in future years, if applicable, will be an additional indirect cost.

4 Totals may vary slightly to the sum of the various components due to roundings in the components.

### MANAGEMENT FEE

We receive management fees for overseeing the Portfolios, which includes providing administration services. The management fee is included in the calculation of the unit price for each Portfolio and is normally paid to us monthly. The amounts may differ between Portfolios due to the nature of each Portfolio's investments. We pay any investment management fees payable to the specialist investment managers (other than any performance-related fees) out of the management fees we receive.

### 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.

### INDIRECT COSTS

Indirect costs may include:

- performance-related fees (if applicable)
- other indirect costs.

### PERFORMANCE-RELATED FEES

In addition to the investment management fee, some of the specialist investment managers of Australian shares and international shares may be entitled to a performance-related fee as part of their remuneration.

Performance-related fees are payable when a specialist investment manager outperforms a defined performance hurdle (benchmark), for a defined period of time.

Any performance-related fee payable to a particular specialist investment manager will be attributed to the overall management costs of the relevant Portfolio. All performance-related fees will be incorporated in the unit prices of the Portfolios or underlying funds.

The performance-related fee payable to these specialist investment managers is based on a percentage earned on that manager's outperformance of their respective benchmark. The exact methodologies for calculating performance-related fees vary significantly between the specialist investment managers.

The maximum performance-related fee rate can be up to 25% of outperformance.

### EXAMPLE

If the specialist investment manager outperformed their respective benchmark by 2% and was entitled to 10% of the outperformance, the performance-related fee payable to the specialist investment manager would be 0.2% (that is, 10% of 2%). Assuming a constant investment balance of \$50,000, this would equate to a performance-related fee amount of \$100.

### OTHER INDIRECT COSTS

Other indirect costs include both our expense recoveries deducted directly from the Portfolios and other costs incurred indirectly in underlying funds. Indirect costs may also be incurred if a Portfolio or underlying fund invests in derivatives.

### OUR EXPENSE RECOVERIES

We're entitled to charge to the Portfolios or be reimbursed from the Portfolios for any expenses incurred in the proper performance of our duties and obligations relating to the management and administration of the Portfolios.

There is no limit in the Funds' constitutions on the amount that can be recovered for expenses that are reasonably and properly incurred.

### Normal operating expenses

Normal operating expenses are those incurred in the day-to-day operation of the Portfolios, which include items such as audit fees, custody fees, asset consulting fees and expenses for publishing the PDS.

### Abnormal operating expenses

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

### OTHER SPECIALIST INVESTMENT MANAGEMENT COSTS

The specialist investment managers may also charge expense recoveries, which will usually be deducted from the assets of the underlying funds and reflected in their unit price, and/or the underlying funds themselves may incur indirect costs. If charged, these amounts will be an indirect cost to you.

### TRANSACTION COSTS

In managing the investments of the Portfolios, transaction costs such as brokerage, settlement costs, clearing costs and government charges may be incurred in a Portfolio's investment portfolio, or when a Portfolio experiences cash flows in or out of it. Transaction costs are an additional cost to you.

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

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

The following transaction cost information for each Portfolio based on the most recently completed financial year, which forms part of the PDS, is publicly available at our website (see 'Incorporation by reference' on page 20 for details) or can be obtained free of charge by contacting us:

- total estimated transaction costs
- estimated transaction costs offset by buy/sell spreads
- estimated net transaction costs borne by all investors (the estimated percentage by which the Portfolio's investment return has been reduced by transaction costs), which ranged between 0.05% and 0.12% for the financial year ended 30 June 2016 depending on the Portfolio.

### BUY/SELL SPREAD

Estimated transaction costs are allocated when an investor buys or sells units in a Portfolio by incorporating a buy/sell spread between the Portfolio'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 Portfolio. We have discretion to waive the buy/sell spread on investments 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 Portfolio. However, it is not a fee paid to us and is retained in the Portfolio 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 Portfolio's unit prices, it won't be recorded separately on investor statements.

Estimated transaction costs, which are used to determine the buy/sell spreads, are reviewed regularly. Consequently, the buy/sell spreads current as at the issue date of this PDS may change (increase or decrease) during the life of this PDS. The buy/sell spread for each Portfolio, which forms part of the PDS, is publicly available at our website (see 'Incorporation by reference' on page 20 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 Portfolios.

### MAXIMUM FEES AND CHARGES

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

FEE OR COST	MAXIMUM
Contribution fee	5.00% of the investment amount
Withdrawal fee	5.00% of the withdrawal amount
Management fee (excluding expenses)	2.00% pa of the gross asset value of the Funds
Expense recoveries	Unlimited

Amounts disclosed above are **exclusive** of GST and each of the Funds' constitutions allows us to charge GST as an expense recovery.

## **INCREASES OR ALTERATIONS TO OUR FEES**

We may change our fees without your consent. However, we won't increase our management fees, or introduce new fees, without giving Perpetual Private at least 30-days' written notice.

## **TAX**

Tax information, including GST, is set out on page 16.

## **ADVISER REMUNERATION**

### **FINANCIAL ADVISER COMMISSIONS**

No commissions are paid to your financial adviser.

### **OTHER BENEFITS**

As a result of your investment in the Portfolios your financial adviser may receive other non-monetary benefits (where allowed by law), which are not an additional cost to you.



## EXAMPLES OF ANNUAL FEES AND COSTS

These tables give examples of how the fees and costs in the Portfolios can affect your investment over a one-year period. You should use these tables to compare the Portfolios with other managed investment products.

### IMPLEMENTED FIXED INCOME PORTFOLIO

EXAMPLE - IMPLEMENTED FIXED INCOME PORTFOLIO		BALANCE OF \$50,000 <sup>1</sup> 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. <sup>2</sup>
<b>PLUS</b>	0.50%	<b>And</b> , for every \$50,000 you have in the Portfolio you will be charged \$250.00 each year.
Management costs <sup>1</sup>		
<b>EQUALS</b>		
Cost of Portfolio		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 <b>\$250.00</b> . <b>What it costs you will depend on the amount of the Portfolio's indirect costs each year and any fee rebates we have negotiated with Perpetual Private.</b>

### IMPLEMENTED REAL ESTATE PORTFOLIO

EXAMPLE - IMPLEMENTED REAL ESTATE PORTFOLIO		BALANCE OF \$50,000 <sup>1</sup> 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. <sup>3</sup>
<b>PLUS</b>	0.71%	<b>And</b> , for every \$50,000 you have in the Portfolio you will be charged \$355.00 each year.
Management costs <sup>1</sup>		
<b>EQUALS</b>		
Cost of Portfolio		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 <b>\$355.00</b> . <b>What it costs you will depend on the amount of the Portfolio's indirect costs each year and any fee rebates we have negotiated with Perpetual Private.</b>

### IMPLEMENTED AUSTRALIAN SHARE PORTFOLIO

EXAMPLE - IMPLEMENTED AUSTRALIAN SHARE PORTFOLIO		BALANCE OF \$50,000 <sup>1</sup> 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. <sup>4</sup>
<b>PLUS</b>	1.19%	<b>And</b> , for every \$50,000 you have in the Portfolio you will be charged \$595.00 each year.
Management costs <sup>1</sup>		
<b>EQUALS</b>		
Cost of Portfolio		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 <b>\$595.00</b> . <b>What it costs you will depend on the amount of the Portfolio's indirect costs each year and any fee rebates we have negotiated with Perpetual Private.</b>

### IMPLEMENTED INTERNATIONAL SHARE PORTFOLIO

EXAMPLE - IMPLEMENTED INTERNATIONAL SHARE PORTFOLIO		BALANCE OF \$50,000 <sup>1</sup> 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. <sup>5</sup>
<b>PLUS</b>	1.06%	<b>And</b> , for every \$50,000 you have in the Portfolio you will be charged \$530.00 each year.
Management costs <sup>1</sup>		
<b>EQUALS</b>		
Cost of Portfolio		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 <b>\$530.00</b> . <b>What it costs you will depend on the amount of the Portfolio's indirect costs each year and any fee rebates we have negotiated with Perpetual Private.</b>

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

2 A buy spread of 0.14% (as at the issue date of this PDS and which have since changed), equal to \$7.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 11 for further information).

3 A buy spread of 0.50% (as at the issue date of this PDS and which have since changed), equal to \$25.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 11 for further information).

4 A buy spread of 0.34% (as at the issue date of this PDS and which have since changed), equal to \$17.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 11 for further information).

5 A buy spread of 0.40% (as at the issue date of this PDS and which have since changed), equal to \$20.00 on a \$5,000 contribution, will also apply (see 'Transaction costs' on page 11 for further information).

# HOW THE PORTFOLIOS OPERATE

## HOW TO INVEST

You can invest in the Portfolios by directing Perpetual Private to lodge an investment application with us.

The number of units issued to Perpetual Private is determined by dividing your investment amount by the applicable entry price (see 'How units are priced and investments are valued' on page 18 for details about asset valuations and unit prices).

If our Sydney office receives and accepts Perpetual Private's 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.

The time it takes to process applications made through Perpetual Private may vary from these times due to their processing requirements (refer to Perpetual Private for details).

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 (see 'Suspension of applications and withdrawals' on page 19 for more information).

For current entry prices, visit our website or contact Perpetual Private.

## WITHDRAWALS

You can withdraw some or all of your investment in the Portfolios at any time by directing Perpetual Private to contact us and provide us with the number of units or the amount to be withdrawn.

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 Portfolio 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 Perpetual Private if this happens.

If our Sydney office receives and accepts a withdrawal request from Perpetual Private by 3.00pm on any business day, it 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.

We can delay processing withdrawal requests or stagger the payment of large amounts from a Portfolio according to the Fund's constitution if we believe that's in the best interests of investors (see 'Suspension of applications and withdrawals' on page 19 for more information).

For the current exit prices, visit our website or contact Perpetual Private.

The proceeds from your withdrawal will usually be available to Perpetual Private within seven business days from when we have processed the request, given normal operating conditions. However, withdrawals can take up to 90 days after we have accepted the request.

The time it takes to process withdrawal requests made through Perpetual Private may vary from these times due to their processing requirements (refer to Perpetual Private for details).

We'll confirm all withdrawals in writing with Perpetual Private.

## DISTRIBUTIONS

A distribution is the payment of a Portfolio'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 16 for further information). The components of a distribution will depend on the Portfolio you invest in and the nature of its underlying assets.

The distribution amount depends on the Portfolio's distributable income. The amount of your distribution will be proportionate to the number of units you hold 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 Portfolio's unit price will typically fall as it is adjusted to reflect the amount of any distribution. As your distribution amount 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.

The Portfolios distribute quarterly as at 31 March, 30 June, 30 September and 31 December. Distributions not reinvested are generally paid to Perpetual Private within 14 days but no later than 90 days 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.

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

You still have to pay tax on the distribution even if it is reinvested (if available) – see ‘Distributions’ under ‘Tax’ on page 16.

### **DISTRIBUTION PAYMENT OPTIONS**

For distribution payment options, please refer to Perpetual Private.

If a Portfolio elects into the AMIT regime, there may be implications for distributions (see ‘Tax’ on page 16 for details).

### **INTEREST EARNED ON APPLICATION, WITHDRAWAL AND DISTRIBUTION ACCOUNTS**

Application money, proceeds of withdrawal requests and distribution amounts are held in trust accounts before they’re 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 Perpetual Private for further information about the tax treatment of your investment in the Portfolio.

## ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The Federal Government passed new tax legislation in May 2016 applicable to eligible managed investment schemes. Where a managed investment scheme meets the eligibility requirements and Perpetual Investment Management Limited, as the responsible entity, makes an election to apply the new tax rules, the Portfolio will become an Attribution Managed Investment Trust (AMIT).

The current tax rules will continue to apply unless an election to enter the AMIT regime is made. We will provide notification on our website if/when this election occurs.

## TAX POSITION OF THE PORTFOLIOS

Generally, Australian income tax won't be payable by the Portfolios.

### CURRENT TAX LAW

Investors will be 'presently entitled' to all of the distributable income of the Portfolios each year ending 30 June. If there is net income of a Portfolio that no investor is 'presently entitled' to, the Portfolio will be subject to tax at the highest marginal tax rate (plus Medicare levy).

### AMIT REGIME

If a Portfolio elects into the AMIT regime, investors will be subject to tax on the income of the Portfolio that is attributed to them under the AMIT rules each year ending 30 June. If there is income of the Portfolio that is not attributed to an investor, the Portfolio 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 14.

The net income of the Portfolios 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 this page.

### AMIT REGIME

If a Portfolio elects into the AMIT regime, the new rules will also allow us to:

- reinvest part or all of your distribution and/or
- accumulate part or all of the Portfolio's income in the Portfolio, in which case the income of the Portfolio that is attributed to you will be more than the distribution you receive.<sup>1</sup>

1 If this were to occur, the Portfolio's unit price would only fall by the amount of the actual distribution and not by the additional amount attributed to investors. Investors would need to increase the cost base of their units for tax purposes by the amount that has been attributed to them but not paid as a distribution. This information will be provided on your annual tax statement.

### CAPITAL GAINS TAX

In addition to any realised net capital gains distributed to you, any withdrawal or transfer of units in the Portfolios 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

Perpetual Private 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 Perpetual Private 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 Perpetual Private for more information on the collection of TFNs or ABNs for investors investing in the Portfolios through their Service.

## **GOODS AND SERVICES TAX (GST)**

GST generally applies to the fees, costs and expenses payable by the Portfolios, including management costs and other fees payable to us.

Generally, the Portfolios 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 a portion of the GST applicable to management costs and certain other expenses, as set out in the GST law.

Unless otherwise stated, the management costs and other fees specified in the 'Fees and other costs' table on page 9 show the approximate net cost to the Portfolios of these amounts payable to us, on the basis that the Portfolio is entitled to claim RITCs for the GST on these amounts.

# ADDITIONAL INFORMATION

## MULTIPLE UNIT CLASSES AND MARKETING FUND NAMES

The constitution for each Fund allows for multiple unit classes, which may have different rights and obligations (including fees and terms) attached to them. Within each class of units, the units have the same rights.

This PDS offers investment in the 'wholesale' class of units in each of the Funds under their Perpetual marketing fund names, as shown in the following table.

REGISTERED MANAGED INVESTMENT SCHEME	MARKETING FUND NAME FOR 'WHOLESALE' CLASS OF UNITS
Perpetual Private Fixed Income Fund (ARSN 098 776 179)	Implemented Fixed Income Portfolio
Perpetual Private Real Estate Fund (ARSN 098 776 302)	Implemented Real Estate Portfolio
Perpetual Private Australian Share Fund (ARSN 098 776 026)	Implemented Australian Share Portfolio
Perpetual Private International Share Fund (ARSN 098 776 115)	Implemented International Share Portfolio

As at the date of this PDS, there is a 'retail' class of units in each of the Funds offered to investors under the product disclosure statement for Perpetual Select Investment Funds.

## YOUR COOLING-OFF RIGHTS

No cooling-off rights apply in respect of any investment in the Portfolios acquired by Perpetual Private 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 Perpetual Private or refer to the Service's disclosure document.

## HOW UNITS ARE PRICED AND INVESTMENTS ARE VALUED

Unit prices for each Portfolio are calculated by:

- establishing the net asset value of the Portfolio
- 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 Portfolio on each business day. The net asset value is calculated by deducting the value of a Portfolio's liabilities from the value of its gross assets.

The net asset value of the Portfolios 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 Portfolio are valued at their market value, using a valuation method that we determine according to the Fund's constitution. For investments in other managed funds, the value will normally be based on the exit price of units in the underlying fund(s). However, if necessary, we may use a different method of valuation.

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 on request.

## REPORTING

All reports will be sent directly to Perpetual Private. They will use this information to provide you with regular reporting.

Please contact Perpetual Private 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 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 Perpetual Private.

If Perpetual Private wishes to make a complaint they can contact us. We'll acknowledge any complaint in writing to Perpetual Private within five business days and make every effort to resolve the issue within 30 days of us being notified.

## 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 Portfolios. Please contact Perpetual Private for more information about their privacy policy.

## ANTI-MONEY LAUNDERING/ COUNTER-TERRORISM FINANCING LAWS

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

As you are investing indirectly through a Service, you will need to satisfy your Service operator's requirements for verifying your identity.

## INVESTMENTS AND SOCIAL SECURITY

If you are a personal investor, your investment in the Portfolios 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 financial information service of either the Department of Human Services or Veterans' Affairs.

## OUR ROLE AS RESPONSIBLE ENTITY

As the responsible entity of the Funds, our main responsibilities are to make sure a Fund is managed according to its constitution and investment policy as well as properly administering the Fund. We have established an investment review committee 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 according to 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 and borrowing may occur in the management of the Portfolios.

The Portfolios currently don't intend to borrow as part of their investment strategy. However, the Portfolios may invest in other funds that can borrow.

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 Portfolios, 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 Portfolios.

## PERPETUAL PRIVATE'S RIGHTS AS AN INVESTOR

Each unit Perpetual Private holds in a Portfolio confers a proportional beneficial interest in the Portfolio. But, they're not entitled to any particular part of the Portfolio, its assets or its management or operation (other than through investor meetings).

Each Fund's constitution limits an investor's liability to the value of the investor's interest or units in a Portfolio. However, the courts are yet to conclusively determine the effectiveness of these provisions so no absolute assurance can be given that an investor's liability is limited in every situation.

## SUSPENSION OF APPLICATIONS AND WITHDRAWALS

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

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

We may also choose to delay processing applications or withdrawals until we have received the tax components for any distributions paid by the specialist investment managers of the underlying funds during any given financial year.

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

## **DELAYS IN CALCULATING AND PUBLISHING UNIT PRICES**

Occasionally there may be delays in receiving unit prices or investment valuations from the specialist investment managers due to their finalisation of distributions or unforeseen circumstances. This restricts our ability to calculate and price the relevant Portfolio. Importantly, the timing of unit prices impacts processing transactions including applications and withdrawals. When transactions are processed we'll generally use the applicable unit price you are entitled to, based on the date we received Perpetual Private's completed transaction instruction.

## **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 the current specialist investment managers
- details of transaction costs for each Portfolio
- the current buy/sell spread for each Portfolio.

This information is publicly available at [www.perpetual.com.au/implemented-portfolios-updates.aspx](http://www.perpetual.com.au/implemented-portfolios-updates.aspx), or can be obtained free of charge by contacting us.

You should also read this information.



## **CONTACT DETAILS**

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

### **WEBSITE**

[www.perpetual.com.au](http://www.perpetual.com.au)

### **EMAIL**

[perpetualprivate@perpetual.com.au](mailto:perpetualprivate@perpetual.com.au)

### **PHONE**

During business hours  
1800 631 381

### **FAX**

02 8256 1427

### **POSTAL ADDRESS**

No stamp required if posted in Australia

Reply Paid 4172  
Implemented Portfolios  
GPO Box 4172  
Sydney NSW 2001

**Australian Capital Territory**

Level 6  
10 Rudd Street  
Canberra ACT 2601

**New South Wales**

Angel Place  
Level 18  
123 Pitt Street  
Sydney NSW 2000

**Queensland**

Central Plaza 1  
Level 15  
345 Queen Street  
Brisbane QLD 4000

**South Australia**

Level 11  
101 Grenfell Street  
Adelaide SA 5000

**Victoria**

Rialto South Tower  
Level 35  
525 Collins Street  
Melbourne VIC 3000

**Western Australia**

Exchange Tower  
Level 29  
2 The Esplanade  
Perth WA 6000

[www.perpetual.com.au](http://www.perpetual.com.au)