

PERPETUAL CASH MANAGEMENT FUND

Product Disclosure Statement

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CONTACT DETAILS

If you have any questions or would like a copy of the PDS or any updates, any information incorporated by reference in the PDS or more information about Perpetual Cash Management Fund:

Phone 1800 022 033 – for investors
1800 062 725 – for advisers

Mail Perpetual Investments, GPO Box 4171,
Sydney NSW 2001, Australia

Website www.perpetual.com.au/cashmanagementfund

Email investments@perpetual.com.au

IMPORTANT NOTES

This PDS provides a summary of significant information and contains a number of references to other important information which also forms part of the PDS. You should consider all of this information before making a decision to invest in this product.

The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

We may update the PDS with changes that are not materially adverse via disclosure on our website. You can also obtain a paper copy of any updates free of charge on request.

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.

**PRODUCT DISCLOSURE STATEMENT (PDS)
ISSUE NUMBER 7 DATED 1 APRIL 2019**

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

Perpetual 

1. ABOUT PERPETUAL INVESTMENT MANAGEMENT LIMITED

Perpetual Investment Management Limited (PIML) is:

- the responsible entity of Perpetual Cash Management Fund (Fund)
- the issuer of units in the Fund and this PDS
- the investment manager of the Fund.

PIML is one of Australia's leading investment managers with \$27.7 billion in funds under management (as at 31 December 2018). PIML is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827) and part of the Perpetual Group, which has been in operation for over 130 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, PIML has been able to help generations of Australians manage their wealth.

As the responsible entity of the Fund our main responsibilities are to manage the Fund according to its constitution (copy available free of charge by contacting us) and investment policy as well as properly administering it. We have established an investment review committee to set the investment objectives, investment guidelines and investment approach for the Fund. We may change the Fund's investment policy whenever we believe it'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.

Subject to the Corporations Act:

- we're not liable to investors for any losses in any way relating to the Fund, except to the extent to which the loss is caused by our fraud, negligence or breach of trust
- our liability is limited to our ability to be indemnified out of the assets of the Fund.

2. HOW PERPETUAL CASH MANAGEMENT FUND WORKS

The Fund is a managed investment scheme that is registered (ARSN 093 211 093) with the Australian Securities and Investments Commission (ASIC).

The Fund commenced in January 1984.

INVESTORS

When you invest in the Fund, your money is pooled with investments from other investors and used to buy assets for the Fund, which we manage on behalf of all investors. Each unit that you hold in the Fund confers a proportional beneficial interest in the Fund. However, you're not entitled to any particular asset of the Fund and we rather than you have ownership and control over the Fund's assets, management and operation.

VALUE OF YOUR INVESTMENT

When you invest, you will be allocated units in the Fund. The value of your investment in the Fund will be based on the Fund's daily unit prices. The entry and exit prices of units in the Fund are normally \$1.00 (exceptions apply).

INVESTMENTS AND WITHDRAWALS

INVESTMENTS

The minimum initial investment in the Fund is \$2,000, which may be paid by cheque or direct debit.

You can increase your interest in the Fund at any time with additional investments of at least \$200 by BPAY® or direct debit.

® Registered to BPAY Pty Ltd ABN 69 079 137 518.

You can also establish a **savings plan** to make regular investments (minimum \$100) in the Fund automatically by direct debit from your nominated Australian bank, building society or credit union account on a fortnightly, monthly or quarterly basis.

HOW UNITS ARE ISSUED

If our Sydney office receives and accepts an investment application (including investment amounts received by BPAY, where applicable) by 3.00pm on any business day, your investment will earn income from that day. If received and accepted after 3.00pm, it will earn income from the next business day.

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

WITHDRAWALS

You can withdraw all or part of your investment in the Fund at any time as long as you maintain a minimum balance (currently \$2,000) after any partial withdrawal, otherwise we may close your account and pay the balance of your investment to you.

On full withdrawal of your units, you will also be paid any accrued income owing to you.

Generally your withdrawal proceeds can be:

- deposited into a nominated Australian bank, building society or credit union account or
- paid to you (or a third party – request must be made in writing by mail) by cheque.

Subject to maintaining a minimum balance of \$2,000 in the Fund, you can also establish a **regular withdrawal plan** to receive automatic payments from your investment for a pre-determined amount (minimum \$100) at nominated intervals (monthly, quarterly, half-yearly or yearly) into your nominated account.

HOW UNITS ARE WITHDRAWN

If our Sydney office receives and accepts a withdrawal request to be paid into a **nominated account**:

- by 11.00am on any business day, the withdrawal will be processed on the same day
- after 11.00am on any business day, the withdrawal will be processed on the next business day.

If our Sydney office receives and accepts a withdrawal request to be paid by **cheque**:

- by 11.00am on any business day, the withdrawal will be processed by 2.00pm on the same day
- after 11.00am and by 4.00pm on any business day, the withdrawal will be processed by 11.00am on the next business day
- after 4.00pm on any business day, the withdrawal will be processed by 2.00pm on the next business day.

DISTRIBUTIONS

Distribution of the Fund's distributable income to investors generally occurs quarterly as at 31 March, 30 June, 30 September and 31 December and proceeds are generally paid within 10 days after the end of the distribution period.

The distribution amount depends on the Fund's distributable income. The distributable income may include interest and other income. The components of a distribution will depend on the nature of the Fund's underlying assets. The amount you receive will be proportionate to the number of units you held each day throughout the distribution period. The amount will vary and sometimes there might not be any distribution.

Your distributions may be:

- reinvested in the Fund or
- deposited into your Australian bank, building society or credit union account.

We can also determine to reinvest part or all of your distribution in the Fund.

REGULAR REPORTING

You will receive:

- an initial investment statement, generally within seven business days of your application being accepted and processed
- an additional investment statement, generally within seven business days of any additional investment (except savings plan investments) being accepted and processed
- a withdrawal statement, generally within seven business days of any partial (except regular withdrawal plan) or full withdrawal request being processed
- a distribution statement following the payment of any distributions
- an annual statement providing details of your investment as at 30 June each year
- an annual report (including financial statements) for each financial year ending 30 June will be available at our website (copy by mail available on request)
- an annual tax statement and tax guide for the financial year, generally sent by the end of August or shortly after to help you prepare your income tax return
- confirmation of any other transactions that we are required to report on.

UPDATED INFORMATION

You can go to our website or mail, phone or email us for the latest investment returns and any other updated information in relation to the Fund. Other general information is also provided in the Fund's annual report, which is also available at our website.

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.

FURTHER INFORMATION

Further details about how the Fund works, including information about acquiring and disposing of interests and how investments are valued and units are priced, are contained in a separate document titled 'Perpetual Cash Management Fund – Additional information', which forms part of this PDS.

You should read the important information about how the Fund works, before making a decision. Go to www.perpetual.com.au/cashmanagementfundupdates.

The material relating to how the Fund works may change between the time when you read this PDS and the day when you acquire the product.

3. BENEFITS OF INVESTING IN PERPETUAL CASH MANAGEMENT FUND

The Fund offers you the opportunity to invest with as little as \$2,000 in a cash fund managed by Perpetual that offers regular income as well as competitive returns.

The Fund invests in deposits, money market and fixed income securities, while offering you same day access to your money. The Fund's income is distributed quarterly.

OPTIONAL FEATURES

The Fund offers the following features to make it easy for you to manage your account and keep track of your investment:

- **direct debit** – for authorising us to debit your nominated account directly to make your initial and/or additional investments
- **BPAY®** – for making additional investments electronically
- **savings plan** – for making regular investments by direct debit
- **regular withdrawal plan** – for receiving regular payments from your investment
- **phone transactions** – for making withdrawals and various changes
- **email** – for providing various instructions to us and requesting withdrawals
- **Online Account Access** – for easy online access to information about your investment
- **authorised representative** – you can appoint a person, partnership or company as your authorised representative to act on your behalf in relation to your investment.

FURTHER INFORMATION

Further details about the features and benefits of the Fund, including information about opening and operating your account, are contained in a separate document titled 'Perpetual Cash Management Fund – Additional information', which forms part of this PDS.

You should read the important information about the features and benefits of the Fund and operating your account before making a decision. Go to www.perpetual.com.au/cashmanagementfundupdates.

The material relating to the features and benefits of the Fund and operating your account may change between the time when you read this PDS and the day when you acquire the product.

4. RISKS OF MANAGED INVESTMENT SCHEMES

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 Fund, 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.

While we can't completely eliminate these risks, we aim to manage their impact by setting consistent and carefully considered investment guidelines.

The level of risk for each person will vary depending on a range of factors including age, investment timeframe, other investments and risk tolerance. Your financial adviser can assist you in determining whether the Fund is suited to your financial needs and the level of diversification you need.

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. The level of returns will vary, and future returns may differ from past returns. Investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

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 the Fund invests in may fall in value, which can result in a reduction of your investment.
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.
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 counterparty risk. Depending on market conditions derivative positions can be costly or difficult to reverse. A counterparty may also be required to take collateral from the 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 6 for further information about how derivatives may be used in the management of the Fund.
Counterparty risk	A loss may occur if the other party to a contract defaults on their obligations under the contract.
Legal and regulatory risk	Changes in legislation and differences between 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 to manage the Fund may change, which may affect the future performance of the Fund. Investing in the 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. The Fund may be terminated.

5. HOW WE INVEST YOUR MONEY

When choosing a fund in which to invest, you should consider the likely investment return, the risk and your investment timeframe. We recommend you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

FUND INVESTMENTS

The Fund predominantly invests in deposits, money market and fixed income securities, but may also have exposure to derivative instruments.

The Fund may invest in assets directly or indirectly by investing in other Perpetual managed funds which have authorised investments that are consistent with the Fund.

DEPOSITS

Deposits are products offered by authorised deposit taking institutions (ADIs). ADIs are regulated by the Australian Prudential Regulation Authority (APRA), which enforces standards designed to ensure that under all reasonable circumstances ADIs can meet their obligations to depositors.

MONEY MARKET

Money market instruments are considered highly liquid fixed income instruments with a short maturity profile. The issuers may include governments, banks, corporations and asset backed securities.

FIXED INCOME

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.

INVESTMENT APPROACH

The Fund aims to achieve its objective by:

- investing in securities that we consider to be of low risk
- diversifying the Fund amongst different securities issued by various borrowers
- anticipating the future course of interest rates
- anticipating changes in the level of interest rates amongst individual securities with different maturities.

Derivatives may be used in managing the Fund.

USE OF DERIVATIVES

Derivatives are financial instruments that derive their value from the price of a physical security or market index. Derivatives may be used in the management of the Fund to manage actual or anticipated interest rate risk, for hedging existing physical positions or for creating market exposure. Derivatives will not be used for gearing purposes.

ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS

PIML is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social and corporate governance (ESG) factors in their investment decision-making and ownership practices. Our consideration of ESG factors and labour standards does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks and labour standards only to the extent that they are relevant to the current or future value of the investment.

BORROWING

Borrowing may occur in the day-to-day operation of the Fund. To the extent permitted under the Fund's constitution, the Fund 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).

FUND PROFILE

PERPETUAL CASH MANAGEMENT FUND	
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.
Risk level¹	1 – Very low
Minimum suggested timeframe²	Any period
Investment return objective	The Fund aims to: <ul style="list-style-type: none">• provide investors with capital stability, regular income and easy access to funds by investing in deposits, money market and fixed income securities• outperform the Bloomberg AusBond Bank Bill Index (before fees and taxes) on an ongoing basis.
Investment guidelines³	Deposits, money market and fixed income securities 100%

- 1 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.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

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

- 2 This is a guide only and not a recommendation. You should discuss your investment in the Fund with your financial adviser to ensure that it meets your needs.
- 3 This provides an indication of what the Fund will invest in. You can obtain information on the actual asset allocations (updated as at the end of each month) at our website or by contacting us.

6. FEES AND 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 account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower 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.com.au) has a managed funds fee calculator to help you check out different fee options.

The following information can be used to compare costs between different managed investment schemes.

Unless otherwise stated, all fees and costs disclosed in this PDS are inclusive of the net effect of goods and services tax (GST).

Fees and costs can be paid directly from your account or deducted from investment returns or from the Fund's assets as a whole.

PERPETUAL CASH MANAGEMENT FUND	
TYPE OF FEE OR COST	AMOUNT
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
MANAGEMENT COSTS	
The fees and estimated costs for managing your investment	0.60% pa of the capital sums invested in the Fund ¹

¹ 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.

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

EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs in Perpetual Cash Management Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment schemes.

EXAMPLE - PERPETUAL CASH MANAGEMENT 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.
PLUS Management costs ¹	0.60%	And , for every \$50,000 you have in the Fund, you will be charged \$300.00 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 \$300.00 . ¹ What it costs you will depend on the amount of the Fund's indirect costs each year and, if applicable, the fees you negotiate with us or your financial adviser.

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

FURTHER INFORMATION

Further information about fees and costs, including management costs (management fee and indirect costs), transaction costs, maximum amounts allowable under the Fund's constitution and adviser remuneration, is available in a separate document titled 'Perpetual Cash Management Fund - Additional information', which forms part of this PDS.

You should read the important information about fees and costs before making a decision. Go to www.perpetual.com.au/cashmanagementfundupdates.

The material relating to fees and costs may change between the time when you read this PDS and the day when you acquire the product.

7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Your investment in a registered managed investment scheme is likely to have tax consequences for you each year, even if you don't change your investment. Registered managed investment schemes generally don't pay tax on behalf of investors and you will be assessed for tax on any income and capital gains arising from your investment in the Fund.

The tax consequences of investing in managed investment schemes are particular to your circumstances, so we strongly recommend you seek professional tax advice.

ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The Fund elected into the AMIT regime for the 2017/2018 and subsequent financial years. Please refer to the 'Perpetual Cash Management Fund – Additional information' document for further information.

FURTHER INFORMATION

Further general information about how managed investment schemes are taxed is available in a separate document titled 'Perpetual Cash Management Fund – Additional information', which forms part of this PDS.

You should read the important information about tax before making a decision. Go to www.perpetual.com.au/cashmanagementfundupdates.

The material relating to tax may change between the time when you read this PDS and the day when you acquire the product.

TAX FILE NUMBER (TFN)/ AUSTRALIAN BUSINESS NUMBER (ABN)

Providing your TFN isn't compulsory but without it or the appropriate exemption information we have to withhold tax from the income distributed/attributed to you 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.

We are authorised under tax laws to collect TFNs and ABNs in connection with your investment in the Fund.

8. HOW TO APPLY

INITIAL INVESTMENT

Please complete the application form, which is available at www.perpetual.com.au/cashmanagementfundupdates or by contacting us. The application form includes detailed investment instructions.

ADDITIONAL INVESTMENTS

Additional investments can be made at any time according to the current PDS. The PDS may be updated or replaced from time to time and you should read the current version before you make an additional investment. You can obtain a copy of the current PDS, free of charge, at our website or by contacting us.

For additional investments by:

- **direct debit** – complete the application form and send it to us
- **BPAY** – simply remit your additional investment amount, quoting your Customer Reference Number (CRN) and the Fund's **BPAY biller code 636985**.

YOUR COOLING-OFF RIGHTS

You have up to 14 days from the earlier of the time when you receive confirmation of issue of units in the Fund to you or the fifth business day after the units in the Fund are issued to you where you can have your investment repaid ('cooling-off period').

The amount repaid will be adjusted for any transaction costs and any increase or decrease in the value of your investment.

Your right to be repaid during the cooling-off period does not apply if:

- you exercise any of your rights as an investor in the Fund
- you are a wholesale client (as that term is defined in the Corporations Act).

If you'd like to have your investment repaid, write to us stating that you want to be repaid during the cooling-off period (please include your account number). Your request must reach our Sydney office before the end of the cooling-off period.

When we receive your request, we will send you the details about your repayment.

Investments repaid may create a taxable gain or loss so we recommend that you seek professional tax advice.

INQUIRIES AND COMPLAINTS

If you have an inquiry or complaint, you can either phone Perpetual on 1800 022 033 during business hours or write to:

Client Services
Perpetual Investments
GPO Box 4171
Sydney NSW 2001

We'll acknowledge any complaint in writing within five business days and make every effort to resolve your issue within 30 days of us being notified.

If you do not get a satisfactory outcome or your complaint remains unresolved after 45 days, you may refer it to the Australian Financial Complaints Authority (AFCA), of which we are a member. AFCA is the external dispute resolution scheme established by the Commonwealth Government to deal with complaints from consumers in the financial system. AFCA provides a **free** service for consumers.

Contact details for AFCA are as follows:

Phone 1800 931 678

Email info@afca.org.au

Website www.afca.org.au

Mail Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001