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Perpetual Investment Management Limited  
ABN 18 000 866 535

Angel Place  
Level 18  
123 Pitt Street Sydney  
Sydney NSW 2001  
Australia

Client number: <Client ID>  
Account number: <Account Number>

Dear [salutation and last name]

### Notice of meeting - Perpetual Ethical SRI Fund (the 'Fund')

The Board of Perpetual Investment Management Limited (**Perpetual**) invite you to attend the unitholder meeting (**Meeting**) of the Perpetual Ethical SRI Fund ARSN 099 975 041 (**Fund**).

The purpose of the Meeting is to seek unitholder approval to amend the constitution for the Fund to:

- facilitate the establishment and operation of a new class of units in the Fund to be quoted on the Australian Securities Exchange (ASX) as an exchange traded managed fund (**Quoted Class**);
- provide Perpetual, as responsible entity of the Fund, with the power to allocate the assets and liabilities of the Fund to a specific class (**Allocation Power**); and
- provide Perpetual with the right to charge performance fees solely in relation to any new classes of the Fund.

Perpetual, as responsible entity for the Fund, recognises the growing interest from prospective and existing investors to access managed investments via the ASX. As the provisions of the constitution for the Fund do not presently facilitate the establishment, offer and operation of a Quoted Class, Perpetual is proposing to amend the constitution to that effect.

We believe the proposed introduction of a Quoted Class<sup>1</sup> will provide increased flexibility and choice for existing and prospective unitholders as they would have the option to access the Fund as they do currently, or alternatively on the ASX.

Amending the constitution to include an Allocation Power will enable Perpetual to determine the allocation of assets and liabilities between classes on a differential basis. Perpetual may allocate any liabilities related to operating the Quoted Class, and any profit or losses from market making to the Quoted Class, so that such activities are not borne by another class of unitholders (subject to class risk which is explained in the Frequently Asked Questions).

There is no impact or change to the investment objective, investment approach or fees and costs of the existing class of units in the Fund. This means existing unitholders will continue to have the investments of the Fund managed in the same way as they are currently and the fees and cost they pay for their investment will remain the same.

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<sup>1</sup> Subject to any necessary approvals from the ASX and ASIC.

Enclosed are frequently asked questions which may assist you to decide how to vote on the resolution set out in the Notice of Meeting (**Resolution**).

### **Unitholder Meeting details**

Given the evolving situation of the COVID-19 pandemic in Australia, the Meeting will be held virtually at 2:30pm (Sydney time) on Monday, 20 September 2021 through an online platform by accessing [web.lumiagm.com/372041067](http://web.lumiagm.com/372041067).

Unitholders and proxyholders attending the Meeting through the online platform will be able to fully participate, ask questions and vote in real time during the Meeting. Further instructions and information on attending and voting at the Meeting are set out in the enclosed Notice of Meeting, Explanatory Memorandum and Online Platform Guide.

If you are unable to attend the Meeting or would like to cast your vote prior to the Meeting, you may appoint a proxy to attend and vote on your behalf, either by accessing Lumi's website at [web.lumiagm.com/372041067](http://web.lumiagm.com/372041067) or following the instructions on the proxy form. Proxy appointments must be received by 2:30pm on Saturday, 18 September 2021. Even if you plan to attend the Meeting online, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the meeting).

### **Recommendation**

The Board of Perpetual considers that the amendments to the Fund's constitution are in the best interests of unitholders and unanimously recommend that unitholders vote in favour of the Resolution.

### **What do I need to do?**

- Read the enclosed Notice of Meeting, Explanatory Memorandum and Online Platform Guide.
- Consider and vote on the Resolution set out in the enclosed Notice of Meeting by attending the Meeting or completing the Proxy Form.

### **Further information**

We will notify you if there are further updates about the Meeting. We also encourage you to regularly visit Perpetual's website to see if there are further updates about the Meeting <https://www.perpetual.com.au/resources-and-documents/continuous-disclosure-and-important-information/wholesale-funds-updates>

If you have any questions, please speak to your financial adviser, email [investments@perpetual.com.au](mailto:investments@perpetual.com.au) or phone us on 1800 022 033 during business hours (Sydney time).

Thank you for investment in and support of the Fund.



Amanda Gazal  
Chair, Perpetual Investment Management Limited

## FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER
<b>Why am I receiving this notice?</b>	As a unitholder of the Fund, you are asked to approve proposed amendments to the Fund's constitution.
<b>Why is Perpetual, as responsible entity for the Fund, seeking approval of the amendments to the constitution</b>	The amendments to the constitution are required to facilitate the establishment and operation of a class of units in the Fund to be quoted on the ASX.
<b>What are the proposed amendments to the constitution?</b>	<p>The proposed amendments to the constitution are:</p> <ul style="list-style-type: none"> <li>• to facilitate the establishment and operation of a class of units in the Fund to be quoted on the ASX as an exchange traded managed fund (<b>Quoted Class</b>);</li> <li>• to provide Perpetual, as responsible entity of the Fund, with the power to allocate the assets and liabilities of the Fund to a specific class (<b>Allocation Power</b>); and</li> <li>• to provide Perpetual with the right to charge performance fees solely in relation to any new classes of the Fund. Perpetual will not be able to charge a performance fee for any existing class of units in the Fund.</li> </ul>
<b>How will the proposed amendments change the way the Fund operates?</b>	<p>If the amendments to the constitution are approved, the Quoted Class will be available for trading on the ASX<sup>2</sup>.</p> <p>It is proposed that Perpetual, in its capacity as responsible entity for the Fund, will be the market maker for the ETMF to provide liquidity to investors on the ASX.</p> <p>The proposed Allocation Power in the constitution will enable Perpetual to determine the allocation of assets and liabilities between classes on a differential basis. This amendment would permit Perpetual to determine that any liabilities related to operating the ETMF and any profits or losses from market making may be referable solely to the net asset value of the ETMF so that such liabilities, profits and losses are not borne by another class of unitholders, subject to class risk.</p>
<b>Will the proposed amendments impact my holding in the Fund?</b>	<p>No, your holding will remain in the existing class and your current process for applying and redeeming units in the Fund will be retained. There is no impact or change to the investment objective, investment approach or fees and costs of the existing class of units in the Fund.</p> <p>The proposed Allocation Power in the constitution means Perpetual will be able to allocate any liabilities related to operating the ETMF and any profits or losses from market making solely to the net asset value of the ETMF so that such liabilities, profits and losses are not borne by another class of unitholders, subject to class risk.</p>
<b>What are the benefits of the proposed amendments?</b>	<p>Potential for increased flexibility and choice for unitholders as they would have the option to access the Fund as they do currently, or alternatively on the ASX<sup>2</sup>, while having the access to the same investment objective and investment approach.</p> <p>Enhanced transparency for unitholders as Perpetual will need to comply with the disclosure requirements imposed by the ASX and the Corporations</p>

<sup>2</sup> Subject to any necessary approvals from the ASX and ASIC

	<p>Act for the ETMF. For example, Perpetual intend to disclose full portfolio holdings of the Fund every quarter on a two month lag on the Perpetual website. As there is one investment strategy and one pool of assets for the Fund, the portfolio holdings disclosure will apply to all classes of units issued.</p> <p>The proposed Allocation Power in the constitution will enable Perpetual to allocate any liabilities related to operating the ETMF and any losses from market making solely to the net asset value of the ETMF so that such liabilities and losses are not borne by another class of unitholders subject to class risk.</p>
<p><b>What are the risks or disadvantages of the proposed amendments?</b></p>	<p>The proposed amendments introduce certain risks:</p> <ul style="list-style-type: none"> <li>• Class risk - Separate classes of a Fund are not separate legal entities and the assets referable to each class will not be segregated. All of the assets of the Fund are available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. There is a risk that investors of different classes of the Fund may be exposed to liabilities of another class of units (for example in the event that the assets of one class is not sufficient to cover liabilities) and unitholders could lose some or all of their investment in the Fund. Also, there is a risk that in the event of an insolvency, the assets of the Fund could be made available to creditors of another class of units of the Fund.</li> <li>• Increased operational risks if the Fund establishes and operates an ETMF. For example, Perpetual or its appointed service providers conducting internal market making activities and calculating and publishing an indicative net asset value (iNAV) for the ETMF.</li> </ul> <p>Perpetual proposes to mitigate these risks as follows:</p> <ul style="list-style-type: none"> <li>• The proposed Allocation Power in the constitution will enable Perpetual to allocate any liabilities related to operating the ETMF and any profits or losses from market making solely to the net asset value of the ETMF so that such liabilities and losses are not borne by another class of unitholders subject to class risk.</li> <li>• Perpetual has developed ETMF Operating Guidelines which set out how it will comply with ASIC, ASX and Corporations Act requirements and minimise the impact to existing unitholders of the Fund, and the Fund as a whole, from suffering material financial loss with the use of internal market making.</li> </ul>
<p><b>Will the proposed amendments change the investment objective and investment approach of the Fund?</b></p>	<p>No, the investment objective and investment approach will remain the same.</p>
<p><b>Will my costs change?</b></p>	<p>No, the management fee for the existing class payable to Perpetual will not change as a result of the amendments to the constitution. The proposed right to charge performance fees would only apply to new classes issued in the Fund.</p> <p>Perpetual intends to pay for the establishment and day-to-day costs associated with operating the ETMF out of its management fee. If Perpetual commences recovering normal operating expenses from the ETMF, these expenses will be allocated solely to the net asset value of the ETMF and those unitholders will be notified.</p> <p>Therefore, there would be no impact to existing unitholders subject to class risk.</p>
<p><b>Is a performance fee being added to the existing unit class?</b></p>	<p>No, the proposed right to charge performance fees only applies to new classes issued in the Fund.</p>

<p><b>Will I be able to switch between the existing class and the Quoted Class?</b></p>	<p>Yes. If you choose to switch from the existing class to the Quoted Class, you will need to submit a redemption request in the existing class and then buy units in the Quoted Class at the prevailing market price via your ASX stockbroker.</p> <p>Before making any investment decision to enter or exit any class of units in the Fund, you should consider your particular financial circumstances and investment objectives and consult with your professional financial and tax adviser.</p>
<p><b>When would the changes take effect?</b></p>	<p>If the amendments are approved, Perpetual will amend the Fund's constitution by signing the amending deed enclosed with the Notice of Meeting. Perpetual must lodge a copy of the signed amending deed with ASIC. The amendment will take effect once the amending deed is lodged. This is expected to be completed by late September 2021.</p>
<p><b>Who can vote at the Meeting?</b></p>	<p>A unitholder of the Fund as at 5:00pm (Sydney time) on Friday, 17 September 2021.</p> <p>You have the right to appoint a proxy to attend and vote for you. The proxy does not need to be another unitholder of the Fund. The Chairperson of the Meeting may act as your proxy if you wish.</p>
<p><b>Do I have to vote?</b></p>	<p>No, however we encourage all unitholders to vote on the Resolution.</p>
<p><b>How many votes do I get?</b></p>	<p>Each Unitholder has one vote for each dollar of the value of the total interests they have in the Fund.</p>
<p><b>What if I do nothing?</b></p>	<p>If you do nothing, then the Meeting will proceed if it satisfies the quorum requirements of the <i>Corporations Act 2001</i> (Cth) and the Fund's constitution as set out in the Notice of Meeting.</p> <p>The Fund constitution will be amended if, the Resolution is validly passed as a special resolution. This occurs if at least 75% of the total votes cast on the Resolution are cast in favour of the resolution by the unitholders entitled to vote.</p>
<p><b>Does Perpetual recommend the changes in the Constitution be approved?</b></p>	<p>Yes, the Board of Perpetual unanimously recommend that unitholders vote in favour of the Resolution.</p>