

PERPETUAL INSTITUTIONAL CASH AND FIXED INCOME FUNDS

Information Memorandum
for an offering to wholesale investors

**INFORMATION MEMORANDUM
NUMBER 7 DATED 1 FEBRUARY 2021
FOR AN OFFERING TO WHOLESALE INVESTORS**
Issued by Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

IMPORTANT NOTES

This Information Memorandum (IM) can only be used by wholesale clients (as defined in section 761G of the Corporations Act 2001) that receive the IM (electronically or otherwise) and respond to this offer in Australia (Eligible Investors).

This IM is not intended to be distributed to or read by anyone other than an Eligible Investor.

In this IM, 'Funds' means Perpetual Institutional Cash and Fixed Income Funds collectively and 'Fund' means one of the Funds in the relevant context.

The minimum investment by an Eligible Investor in any Fund is \$500,000.

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

- the responsible entity of the Funds
- the issuer of units in the Funds and this IM
- the investment manager of the Funds.

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.

References in this IM to 'you' or 'your' are to Eligible Investors in the Funds.

This IM:

- is not a product disclosure statement under the Corporations Act 2001, and has been prepared for use only by Eligible Investors
- is not required to be, and has not been, lodged with ASIC under the Corporations Act 2001
- may be updated or supplemented by Perpetual
- can only be used by Eligible Investors receiving it (electronically or otherwise) in Australia.

No units in the Funds will be issued, and no offer is made, pursuant to this IM to investors other than Eligible Investors. Units issued pursuant to this offer are issued on the terms and conditions contained in the Funds' constitutions and this IM.

This IM provides a summary of the features of the Funds and should be read in conjunction with the Funds' constitutions, copies of which are available from us free of charge on request (see inside back cover for contact details).

Nothing in this IM limits or qualifies the powers and discretions conferred on Perpetual as the responsible entity of the Funds except as provided for in the constitutions. In the event of any inconsistency between a Fund's constitution and this IM, the constitution shall prevail. Information in this IM is qualified in its entirety by reference to the information in the Funds' constitutions.

This IM may not contain all the information that an Eligible Investor may expect or require in order to make an informed decision as to whether to subscribe for units in the Funds. Eligible Investors should rely upon their own inquiries in deciding whether to invest.

This IM is not a recommendation to invest and does not take into account your investment objectives, financial situation or particular needs. Before making an investment in the Funds you should read this IM in its entirety and consider whether such an investment is appropriate to your particular investment objectives, financial situation and needs. You should also consider the tax implications of investing in the Funds.

Neither we nor any company in the Perpetual Group guarantee that you will earn any return on your investment or that your investment will gain in value or retain its value. Investment in the Funds is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

All amounts in this IM are in Australian dollars and all times quoted are Sydney time (unless otherwise specified). A business day is a working day for Perpetual in Sydney.



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FUND PROFILES

Marketing fund name	PERPETUAL EXACT MARKET RETURN FUND	PERPETUAL HIGH GRADE FLOATING RATE FUND
Registered managed investment scheme	Perpetual Exact Market Cash Fund ARSN 110 147 389	Perpetual High Grade Treasury Fund ARSN 098 496 998
Commencement date	February 2005	October 2001 (for the 'wholesale' class of units offered in this IM)
Investment style ¹	Treasury	Treasury
Objective	Aims to provide investors with a return that matches the pre-tax benchmark performance of the Bloomberg AusBond Bank Bill Index (referred to as Exact Benchmarking) on an ongoing basis.	<p>Aims to:</p> <ul style="list-style-type: none"> • provide investors with regular income by investing in deposits, money market and fixed income securities² • outperform the Bloomberg AusBond Bank Bill Index on an ongoing basis before fees and taxes.
Investment approach	<p>The Fund aims to achieve Exact Benchmarking by investing in deposits, money market and fixed income securities². If, however, the Fund's investments fall short of the required return, the Fund will still deliver the benchmark return to investors through a swap agreement while Exact Benchmarking applies.</p> <p>The Fund is managed on a total pre-tax return basis. The income and growth components may vary from the Bloomberg AusBond Bank Bill Index while the total return matches the pre-tax benchmark return.</p>	<p>The Fund invests in a diversified portfolio of securities. By investing in corporate debt, asset-backed securities (including mortgages) and debt-like hybrid securities and discount securities, we aim to add value while substantially retaining the relatively low-risk characteristics of an enhanced cash investment.</p> <p>We aim to enhance returns by:</p> <ul style="list-style-type: none"> • considering a range of securities, providing they meet the minimum required credit rating • selecting securities that offer attractive yields relative to their risk • actively managing for changes in market-wide and security-specific credit margins • diversifying among different securities issued by various borrowers.
Distribution frequency and dates	Quarterly – as at 31 March, 30 June, 30 September, 31 December	Quarterly – as at 31 March, 30 June, 30 September, 31 December

Marketing fund name	PERPETUAL CREDIT INCOME FUND	PERPETUAL ACTIVE FIXED INTEREST FUND
Registered managed investment scheme	Perpetual Credit Income Fund ARSN 110 148 135	Perpetual Active Fixed Interest Fund ARSN 110 147 969
Commencement date	November 2004	April 2005
Investment style ¹	Income	Fixed income
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide investors with regular income by investing in a diversified range of income generating assets • outperform the Bloomberg AusBond Bank Bill Index over rolling three-year periods before fees and taxes. 	<p>Aims to:</p> <ul style="list-style-type: none"> • provide investors with regular income by investing in fixed income securities², primarily corporate bonds • outperform the Bloomberg AusBond Composite Index on an ongoing basis before fees and taxes.
Investment approach	<p>The Fund's approach to delivering returns and managing risk is through an active and risk aware investment process which invests in a diversified core portfolio of liquid investment-grade securities. Perpetual believes these assets provide investors with protection in times of market stress. When the environment is supportive Perpetual seeks to enhance returns by taking more risk, whether that be in maturity, credit rating or subordination. The Fund can also invest in other fixed income securities such as mortgages, infrastructure debt and private debt.</p>	<p>We aim to enhance returns by:</p> <ul style="list-style-type: none"> • diversifying the Fund among different securities issued by various borrowers • actively managing for changes in market-wide and security-specific credit margins • identifying and investing in relative value within the universe of credit securities • actively managing the portfolio with respect to interest rates, swap and credit margins and managing the portfolio's sensitivity to changes in these.
Distribution frequency and dates	Quarterly – as at 31 March, 30 June, 30 September, 31 December	Quarterly – as at 31 March, 30 June, 30 September, 31 December

1 See 'Investment styles' on page 4 for further information.

2 See 'Fund investments' on page 4 for further information.

ABOUT PERPETUAL

Perpetual Investments is one of Australia's leading investment managers with \$29.0 billion in funds under management (as at 30 September 2020). Perpetual Investments is 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, Perpetual Investments has been able to help generations of Australians manage their wealth.

INVESTMENT STYLES

The Funds' various investment styles are outlined below.

TREASURY STYLE

These products are intended to be used where investors are seeking returns moderately above cash/money market rates but still require liquidity and a high degree of capital stability in their investment.

Treasury style funds typically invest in term debt (greater than 12 months) and are rated investment grade but are lower rated than most money market funds. They invest predominantly in investment grade securities.

INCOME STYLE

These products are intended to be used by investors seeking income. Typically, these investors are seeking returns above cash and are prepared to forgo some liquidity and are willing to tolerate greater capital volatility in order to achieve these higher returns.

FIXED INCOME STYLE

These products have a longer interest rate duration than our income style Funds. They are intended to be used by investors seeking income. Typically, these investors are seeking returns above cash and are prepared to forgo some liquidity and are willing to tolerate greater capital volatility in return for income and the defensive portfolio characteristics of interest rate duration.

FUND INVESTMENTS

The Funds predominantly invest in cash, deposits, money market and fixed income securities, but may have exposure to other securities as well as derivative instruments. The Funds predominantly hold Australian assets but may also hold offshore assets (for which the currency risk may be hedged).

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

CASH

Cash investments include bank accounts, 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.

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.

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. Some of these instruments contain both debt and equity characteristics (eg hybrids), which may convert to common equity and may pay income in the form of a franked dividend.

DERIVATIVES

A derivative is a financial instrument that derives its value from the price of a physical security or market index.

Derivatives may be used in the management of the 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
- taking advantage of price differences (known as arbitrage).

Derivatives will not be used for gearing purposes.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ETHICAL FACTORS

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

Perpetual Investments has a long-standing commitment to responsible investment, and in 2009 became a signatory to the United Nations supported Principles for Responsible Investment (PRI). PRI signatories recognise the growing social and political expectation that the companies they invest in conduct themselves responsibly and sustainably. Our commitment to PRI acknowledges that, as a company and as an industry, we must continue to improve our understanding of how ESG factors impact investment returns for individual assets and across the economy.

Our consideration of ESG factors for the Funds 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 only to the extent that they are relevant to the current or future value of the investment.

PERPETUAL EXACT MARKET RETURN FUND INVESTMENT STRUCTURE

SWAP AGREEMENT

To achieve Exact Benchmarking, the Fund has entered into a swap agreement with Perpetual Australia Pty Limited (ABN 86 002 785 720) (PAPL).

PAPL is a wholly owned subsidiary of Perpetual Limited. PAPL's principal activity is acting as the swap counterparty to swap agreements.

If the performance of the assets in the Fund:

- outperforms the benchmark return, then the Fund will pay the outperformance to PAPL or
- underperforms the benchmark return, then the Fund will receive payments from PAPL to bring its return up to the benchmark return.

This means that, while Exact Benchmarking applies, unitholders in the Fund will earn the pre-tax benchmark return regardless of the return that the Fund actually derives from its assets. The difference between these amounts is determined and accrued daily and cash settled monthly between the Fund and PAPL.

Perpetual, as the responsible entity of the Fund, may enter into swap agreements with other counterparties provided that they have appropriate ratings from a recognised rating agency and/or appropriate guarantees.

SWAP GUARANTEE

National Australia Bank Limited (NAB) has provided Perpetual, as the responsible entity of the Fund, with a limited bank guarantee that can be called on by Perpetual in the event of a shortfall by PAPL under the swap agreement. There is a risk that the value of the guarantee may be insufficient to cover the obligations of PAPL.

The guarantee may be cancelled by Perpetual at any time, but we will not do so without first notifying investors. If you would like more information regarding the guarantee facility, including the guarantee amount, please contact us.

Perpetual, as the responsible entity of the Fund, may choose to obtain new or additional guarantees from recognised financial institutions.

NAB does not guarantee the performance of either the Fund or the swap agreement. Investors have no recourse to the NAB guarantee nor any rights against NAB.

CESSATION OF EXACT BENCHMARKING

Exact Benchmarking may cease to apply to Perpetual Exact Market Return Fund in the following situations.

INVESTORS' DECISION

Investors may determine by a majority vote in a postal ballot that Exact Benchmarking will no longer apply to the Fund. Exact Benchmarking may be reinstated by the postal vote mechanism at any time.

EVENT OF FORCE MAJEURE

If an event of force majeure occurs in relation to the Fund, Perpetual may determine that Exact Benchmarking will cease to apply. A force majeure event is an act beyond the control of the responsible entity, including an act of God, embargo, civil or labour disturbance, act of war, war, act of any government authority or legal restraint and fraud which directly results in a person failing wholly or partly to perform their obligations in respect of an asset held directly or indirectly by the Fund. Exact Benchmarking will recommence when the event of force majeure ceases (as determined by Perpetual).

TERMINATION OF THE SWAP AGREEMENT

PAPL can terminate the current swap agreement with 60 days' notice to Perpetual. Exact Benchmarking would cease to apply to the Fund if Perpetual was unable to enter into a replacement swap agreement (on commercially acceptable terms) with another appropriate institution by the end of the notice period.

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 Funds, we have detailed in the following table significant risks that may affect your investment.

HOW WE MANAGE THESE RISKS

We can't eliminate investment risks, however we aim to manage the impact of these risks by setting consistent and carefully considered investment guidelines.

To manage counterparty risk associated with the use of a swap agreement for Perpetual Exact Market Return Fund, we will either deal only with counterparties that have appropriate ratings from a recognised rating agency or, as is the case at present where PAPL is not rated, we have obtained a limited guarantee which may be called upon if PAPL does not honour its swap agreement (please refer to 'Swap agreement' and 'Swap guarantee' on page 5 for further information).

Perpetual Group has policies and procedures in place to manage any conflicts of interest, which ensure Perpetual's appointment and supervision of any related party is on arm's length terms and that any such related party performs its functions to the same standard as if the parties were not related and in the best interest of investors.

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, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility.
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.
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 result in delays in the payment of withdrawals from a Fund – see 'Withdrawals' on page 11 and 'Suspension of applications, switches and withdrawals' on page 18 for further information.
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 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 'Derivatives' on page 4 for further information about how derivatives may be used in the management of the Funds.
Counterparty risk	A loss may occur if the other party to a contract, including derivatives contracts, swap agreement or guarantee, defaults on their obligations under the contract.
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. Currency management or hedging strategies may not necessarily provide protection against adverse currency movements.
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 investment risks	The investment professionals employed to manage the Funds may change, which may affect the future performance of a Fund. Investing in a Fund may have a different tax outcome than investing directly because of the application of tax laws to the Fund and the impact of investments and withdrawals by other investors. One result is that you may receive back some of your capital as income. Transactions may be suspended, which may result in delays in paying withdrawal requests. A Fund may be terminated.
Conflicts risk	Conflicts of interest may arise between related parties appointed to provide services to the Funds.
Operational and cyber risks	The Funds' operations may be adversely impacted by breakdowns in internal/external administrative processes or circumstances beyond our reasonable control, such as failure of technology or infrastructure, or natural disasters. Despite security measures, fraud, data loss/damage or business disruption may result from cyber threats against or unauthorised infiltration of our technology systems and networks or those of our service providers.

FEES AND OTHER COSTS

Some of the Funds offered in this IM, or different classes of units in the Funds to those offered in this IM, are offered separately to retail investors via Product Disclosure Statement (PDS). For consistency of approach, the following 'Fees and costs summary' is presented in the same format to that prescribed by law for disclosure of fees and costs in PDSs.

FEES AND COSTS SUMMARY

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from investment returns or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all information about fees and costs because it's important to understand their impact on your investment.

FEES AND COSTS SUMMARY

PERPETUAL INSTITUTIONAL CASH AND FIXED INCOME FUNDS				
TYPE OF FEE OR COST		AMOUNT		HOW AND WHEN PAID
ONGOING ANNUAL FEES AND COSTS				
Management fees and costs The fees and costs for managing your investment		Management fees and estimated management costs are as follows: Perpetual Exact Market Return Fund Perpetual High Grade Floating Rate Fund Perpetual Credit Income Fund Perpetual Active Fixed Interest Fund		Management fees, which are generally expressed as a percentage of the net asset value of each Fund, are calculated and accrued daily and generally paid to us monthly. They are deducted directly from each Fund’s assets and reflected in its unit price. We may negotiate our management fees with wholesale clients. ¹ Management costs may be charged directly to a Fund and/or incurred indirectly in underlying funds.
Performance fees Amounts deducted from your investment in relation to the performance of the product		Nil.		Not applicable.
Transaction costs The costs incurred by the scheme when buying or selling assets		Estimated transaction costs are as follows: Perpetual Exact Market Return Fund Perpetual High Grade Floating Rate Fund Perpetual Credit Income Fund Perpetual Active Fixed Interest Fund		All transactions costs are paid out of the Fund’s assets and reflected in its unit price. This amount represents net transaction costs borne by all investors after any buy/sell spread recoveries charged on investor-initiated transactions (see ‘Buy/sell spread’ below).
MEMBER ACTIVITY RELATED FEES AND COSTS (fees for services or when your money moves in or out of the product)				
Establishment fee The fee to open your investment		Nil.		Not applicable.
Contribution fee The fee on each amount contributed to your investment		Nil.		Not applicable.
Buy/sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme			Buy spread Sell spread	Estimated transaction costs are allocated when an investor buys or sells units in a Fund by incorporating a buy/sell spread between the Fund’s entry and exit unit prices, where appropriate.
		Perpetual Exact Market Return Fund	0.00% 0.00%	
		Perpetual High Grade Floating Rate Fund	0.05% 0.05%	
		Perpetual Credit Income Fund	0.10% 0.10%	
		Perpetual Active Fixed Interest Fund	0.10% 0.10%	

FEES AND COSTS SUMMARY (CONTINUED)

PERPETUAL INSTITUTIONAL CASH AND FIXED INCOME FUNDS		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
MEMBER ACTIVITY RELATED FEES AND COSTS (fees for services or when your money moves in or out of the product)		
Withdrawal fee The fee on each amount you take out of your investment	Nil.	Not applicable.
Exit fee The fee to close your investment	Nil.	Not applicable.
Switching fee The fee for changing investment options	Nil.	Not applicable.

- 1 See 'Differential fees' on this page for further information.
- 2 No management fee is charged while Exact Benchmarking applies.
- 3 A management fee will be charged only if Exact Benchmarking ceases to apply other than as a result of an event of force majeure – see 'Cessation of Exact Benchmarking' on page 5 for further information.
- 4 Transaction costs do not impact investment returns paid to investors while Exact Benchmarking applies and the Fund's buy/sell spread is nil.

ONGOING ANNUAL FEES AND COSTS

GENERAL

The total ongoing annual fees and costs for each Fund comprises:

- management fees and costs
- transaction costs.

PERPETUAL EXACT MARKET RETURN FUND

No ongoing annual fees or costs are charged while Exact Benchmarking applies. If Exact Benchmarking ceases to apply other than as a result of an event of force majeure (see 'Cessation of Exact Benchmarking' on page 5 for further information), ongoing annual fees and costs will be charged as set out below.

MANAGEMENT FEES AND COSTS

The management fees and estimated management costs shown in the 'Fees and costs summary' table on page 7 include any management costs for the financial year ended 30 June 2020. Management costs may vary in future years without notice.

MANAGEMENT FEES

We receive management fees for managing and administering the Funds and overseeing the Funds' investments.

DIFFERENTIAL FEES

We may negotiate a rebate of all or part of our management fee with wholesale clients (as defined by the Corporations Act). 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.

MANAGEMENT COSTS

Management costs may include:

- any operating expenses which are not paid out of our management fees (see 'Abnormal operating expenses' below)
- other indirect management costs.

OPERATING EXPENSES

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

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 Funds.

We currently choose to pay normal operating expenses, excluding any operational borrowing costs (see 'Borrowing costs' on page 9 for further information), out of our management fee.

ABNORMAL OPERATING EXPENSES

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

Any abnormal operating expenses charged to a Fund will be an additional management cost for the relevant year for that Fund.

OTHER INDIRECT MANAGEMENT COSTS

DERIVATIVES

Management costs may also be incurred if a Fund or underlying fund invests in any relevant derivatives.

MANAGEMENT FEES AND COSTS IN UNDERLYING FUNDS

The following also applies where a Fund invests into an underlying fund.

Managers of underlying funds will generally charge a management fee for their services. These fees will be deducted from the underlying funds and reflected in their unit price. Perpetual will compensate the Fund for these amounts so they are not an indirect management cost to you.

Managers of underlying funds may also charge expense recoveries to their underlying funds, 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 usually be an indirect management cost to you.

TRANSACTION COSTS

In managing the investments of the Funds, transaction costs such as brokerage, settlement costs, clearing costs and government charges may be incurred in a Fund's investment portfolio, or when a Fund experiences cash flows in or out of it.

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

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

Transaction costs do not impact investment returns paid to investors in Perpetual Exact Market Return Fund while Exact Benchmarking applies and the Fund's buy/sell spread is nil.

The estimated transaction costs shown in the 'Fees and costs summary' table on page 7 represent net transaction costs borne by all investors in a Fund after any buy/sell spread recoveries charged on investor-initiated transactions for the financial year ended 30 June 2020. Transaction costs may vary from year to year without notice to investors.

The following annual transaction cost information for each Fund based on the most recently completed financial year can be obtained free of charge by contacting us:

- estimated total **gross** transaction costs
- estimated transaction costs recovered by buy/sell spreads on investor-initiated transactions
- estimated **net** transaction costs borne by all investors (the estimated percentage by which the Fund's investment return has been reduced by transaction costs not recovered by buy/sell spreads).

MEMBER ACTIVITY RELATED FEES AND COSTS

BUY/SELL SPREAD

Estimated transaction costs are allocated when an investor buys or sells units in a Fund by incorporating a buy/sell spread between the relevant entry and exit unit prices, where appropriate. This aims to ensure that other investors aren't impacted by the transaction costs associated with a particular investor buying or selling units in the Fund. We have discretion to waive the buy/sell spread on applications or withdrawals where no transaction costs are incurred.

A buy/sell spread is an additional cost to you and will impact the return on your investment. The spread, if applicable, is based on our estimates of the average transaction costs incurred by a Fund. However, it is not a fee paid to us and is retained in the Fund to cover the actual transaction costs as they are incurred.

Estimated transaction costs, which are used to determine the buy/sell spreads, are reviewed regularly. Consequently, the buy/sell spreads current as at the date of this IM, as shown in the 'Fees and costs summary' table on page 7, may change (increase or decrease) during the life of this IM. The current buy/sell spread for each Fund at any time (as amended) is publicly available at our website or can be obtained free of charge by contacting us.

GST is not applicable to any buy/sell spread when you buy or sell units in the Funds.

FURTHER INFORMATION ABOUT FEES AND COSTS

BORROWING COSTS

Whilst we currently choose to pay normal operating expenses out of our management fee, if any Fund incurs any incidental borrowing costs for short-term operational purposes, these costs may be paid out of the Fund's assets and reflected in its unit price.

Any borrowing costs are additional to the management fees and costs shown in the 'Fees and costs summary' on page 7.

GOVERNMENT CHARGES

Government charges will be applied to your account as appropriate.

MAXIMUM FEES AND CHARGES

The Funds' constitutions allow us to charge maximum fees and costs 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	3.00% pa of the gross value of the assets of the Funds
Expense recoveries	Unlimited

Amounts disclosed are inclusive of GST.

INCREASES OR ALTERATIONS TO OUR FEES

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

Management costs and transaction costs may vary each year without notice.

Buy/sell spreads may change from time to time without notice.

TAX

Tax information, including GST, is included on pages 14-15. Unless otherwise stated, all fees and other costs disclosed in this IM are inclusive of the net effect of GST.

HOW THE FUNDS OPERATE

APPLICATIONS

An investor in the Funds must be an Eligible Investor (see 'Important notes' on the inside front cover).

The minimum investment in a Fund is \$500,000.

To invest in the Fund(s), please complete the application form at the back of this IM.

The number of units issued to you is determined by dividing your investment amount by the applicable entry price (see 'How units are priced and investments are valued' on page 16 for details about unit prices).

The Funds' current entry prices are available from our website or by phoning us.

SWITCHES

You can generally switch all or part of your investment in a Fund into another Fund(s) at any time, as long as you meet the withdrawal and application criteria (including minimum investment) for the nominated Funds.

The IM may be updated or replaced from time to time and you should read the current version before you switch. You can obtain a copy of the current IM, free of charge by contacting us.

Please include the following information in your switch request:

- your client number and account number
- the number of units or the amount to be switched from/to each Fund.

We have the right to delay processing of switches where we believe that's in the best interests of investors, as well as impose additional conditions (see 'Suspension of applications, switches and withdrawals on page 18 for further information).

All switches involve a withdrawal of money from one Fund at its exit price and an investment in another Fund at its entry price. Consequently:

- there may be a cost to investors due to the buy/sell spreads on unit prices (see 'Buy/sell spread' on page 9 for further information)
- cut-off times relating to the lodgement of withdrawal requests also apply to switch requests.

A switch out of a Fund will generally be a disposal of units for tax purposes, which may have tax implications for you (see 'Tax' on page 14 for details).

WITHDRAWALS

You can withdraw some (subject to a minimum remaining balance of \$500,000) or all of your investment in a Fund at any time (see 'How units are issued or withdrawn' on page 12 for cut-off times for lodgement of withdrawal requests).

Please include the following information in your withdrawal request and ensure that it is signed by the authorised signatory (see 'Authorised signatories' on page 19 for more details):

- your client number and account number
- the name of the Fund(s)
- the number of units or the amount to be withdrawn
- your payment instructions.

Withdrawal requests can be cancelled at any time before we have accepted them by notifying us.

Generally your withdrawal proceeds can be deposited into your nominated Australian bank, building society or credit union account.

Withdrawal proceeds that are paid directly into your nominated account are subject to clearance by your bank, building society or credit union from the date of deposit into your account.

We will confirm all withdrawals in writing. For your protection, withdrawals will not be paid in cash.

The proceeds from your withdrawal will usually be available within seven business days from when we have accepted the request, given normal operating conditions, but no later than 30 days for Perpetual High Grade Floating Rate Fund and 70 days for the other Funds after we have accepted the request.

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 Fund 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 you if this happens.

The Funds' current exit prices are available from our website or by phoning us.

EMAIL INSTRUCTIONS

We currently accept various instructions, including withdrawal requests, by scanned attachment to email (see inside back cover for our email address) provided we have no reason to believe the request isn't genuine.

Conditions apply to email withdrawal requests (see 'Other conditions' on page 18 for details).

HOW UNITS ARE ISSUED OR WITHDRAWN

Generally, if our Sydney office receives and accepts an investment application, switch or withdrawal request by 3.00pm on any business day, it will be processed using that day's entry and/or exit price (as applicable). If received and accepted after 3.00pm, it will be processed using the next calculated entry and/or exit price. If it's a non-working day for Perpetual in Sydney, it will be processed using the next available entry and/or exit price.

The number of units issued to you for investment applications and switches into a Fund is determined by dividing the investment or switch amount by the applicable entry price. The number of units redeemed for withdrawals and switches from a Fund is determined by dividing the withdrawal or switch amount by the applicable exit price.

For current entry and exit prices, visit our website or contact us.

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, switches and withdrawals' on page 18 for more information)
- to accept transactions in our Sydney office up to 5.00pm on 30 June only (or the preceding business day should 30 June fall on a weekend).

We can delay processing withdrawal requests (including switches from a Fund) or stagger the payment of large amounts from a Fund according to its constitution if we believe that's in the best interests of investors (see 'Suspensions of applications, switches and withdrawals' on page 18 for more information).

DISTRIBUTIONS

A distribution is the payment of a Fund's distributable income to investors at predetermined intervals. The distributable income may include interest, dividends, foreign income, realised net capital gains and other income (see 'Tax' on page 14 for further information). The components of a distribution will depend on the Fund you invest in and the nature of its underlying assets.

The distribution amount depends on the Fund's distributable income. The amount 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 Fund'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 for that period.

Distribution frequencies and effective dates for distributions for each Fund are shown in the 'Fund profiles' on pages 2-3. Distributions not reinvested are generally paid within seven business 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 – see 'Distributions' under 'Tax' on page 14 for details.

DISTRIBUTION PAYMENT OPTIONS

Your distributions may be:

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

Since the Funds have elected into the AMIT regime, there may be implications for distributions (see 'Tax' on page 14 for details).

If you don't make a choice or if we're unable to credit your nominated account (if applicable), we'll reinvest your distribution.

Generally, for distribution reinvestments in the same Fund:

- amounts will be reinvested as at the first day following the end of the distribution period
- the reinvestment price will be based on the net asset value price (that is, excluding a buy spread) calculated on the last business day of the distribution period, adjusted for any distribution for that period.

If you wish to change your distribution instructions, we will need to receive your new instructions at least five business days before the Fund's distribution date for the change to be applied to the next distribution.

INSTRUCTIONS AND CHANGES

Please contact us (see inside back cover for our contact details) to advise of any changes to your name, address/contact details, bank account, etc and to provide other details/instructions.

All changes to bank account details must be made in writing by mail or scanned attachment to email. Any acceptable changes by phone can only be made after we've confirmed your identity.

Conditions may apply depending on the way you provide instructions to us, as set out under 'Other conditions' on page 18.

AUTHORISED REPRESENTATIVE

You can appoint a person, partnership or company as your authorised representative by nominating them on your application form and having them sign the relevant section. Your authorised representative will be empowered to act on your behalf in all matters relating to your investment in the Funds.

Conditions apply to the appointment of an authorised representative as set out under 'Other conditions' on page 18.

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. This information is general only and shouldn't be relied on.

ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The Funds have elected into the AMIT regime.

TAX POSITION OF THE FUNDS

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

Under the AMIT regime, each year, we are required to break down the income of each Fund (net of fees and expenses) into trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (eg franking credit offsets).

A Fund will not be subject to income tax provided that all of the determined trust components are attributed to investors on a fair and reasonable basis and in accordance with its constitution and any other constituent documents of the Fund (which includes this IM).

Investors will be subject to tax on the income of the Funds that is attributed to them each year ending 30 June. If there is income of a Fund that is not attributed to an investor, the Fund 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 12.

The net income of the Funds attributed 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.

Where a distribution made to you is less than¹, or more than, the trust components attributed to you, the cost base of your units will need to be increased or decreased, as appropriate. Details of the trust components attributed to you and any net cost base adjustment will be included on your annual tax statement.

Where a Fund's determined trust components for an income year are revised in a subsequent year (eg due to actual amounts differing to the estimates of income, gains/losses or expenses), then differences (referred to as 'unders and overs') will arise. Unders and overs will generally be taken into account in the year they are discovered.

- 1 If this were to occur, the Fund's unit price would only fall by the amount of the actual distribution and not by the additional amount attributed to investors. You would need to increase the cost base of your units for tax purposes by the amount that has been attributed but not paid as a distribution.

CAPITAL GAINS TAX

In addition to any realised net capital gains attributed to you, any withdrawal (including switching between Funds) or transfer of units in the Funds may create a taxable gain or loss, which will be treated as a capital gain or loss, or as ordinary income, depending on your circumstances.

ANNUAL TAX STATEMENT

We'll issue annual tax statements, referred to as an AMIT Member Annual Statement (AMMA), for the Funds at the end of August each year, or shortly after. It will show the taxable and non-taxable components of the income attributed to you (which includes any distributions received or reinvested) and any net cost base adjustment required to be made.

NON-RESIDENT INVESTORS

Australian tax will be deducted from certain Australian sourced income and capital gains distributed/attribution 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.

REPORTING

We are required to report to the ATO certain information relating to your transactions in the Funds, including transactions and the income distributed/attribution to you.

TAX RESIDENTS OF OTHER COUNTRIES

We must obtain details about any other countries where you are a resident for tax purposes (including your taxpayer identification number) as the Funds may be required to report information about your investment (including investment balances and any payments made) to the ATO each year for provision to the relevant overseas tax authority under rules designed to combat tax evasion in that country. We will determine whether the Funds are required to report your details to the ATO for this purpose based on our assessment of the relevant information received.

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 exemption¹ 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 Funds.

1 The following codes may be used in place of the TFN for individual investors:

- 444 444 441 – where you are a pensioner, such as the recipient of a Centrelink (age or disability support) pension or Service (veterans) pension
- 444 444 442 – where you are a recipient of other eligible Centrelink pensions or benefits
- 888 888 888 – where you are a non-resident and do not have a TFN.

GOODS AND SERVICES TAX (GST)

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

Generally, the Funds can't claim a credit for all of the GST paid but may be entitled to claim a reduced input tax credit (RITC), which represents a portion of the GST applicable to management costs and certain other expenses, as set out in the GST law.

Unless otherwise stated, the fees and costs in the 'Fees and costs summary' table on pages 7-8 show the approximate net cost to the Funds of these amounts payable to us, on the basis that the Funds are entitled to claim RITCs for the GST on relevant amounts.

ADDITIONAL INFORMATION

MULTIPLE UNIT CLASSES

The constitution for Perpetual High Grade Treasury 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 IM offers investment in the wholesale class of units in Perpetual High Grade Treasury Fund under its marketing name of Perpetual High Grade Floating Rate Fund. As at the date of this IM, there is another class of units offered to retail investors via PDS.

YOUR COOLING-OFF RIGHTS

No cooling-off rights apply in respect of any investment in the Funds by Eligible Investors under this IM.

HOW UNITS ARE PRICED AND INVESTMENTS ARE VALUED

Unit prices for each Fund are calculated by:

- establishing the net asset value of the Fund
- for entry unit prices – adding the applicable transaction costs (buy spread) to the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the entry unit price
- for exit unit prices – deducting the applicable transaction costs (sell spread) from the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the exit unit price.

We generally determine the net asset value of each Fund on each business day. The net asset value is calculated by deducting the value of a Fund's liabilities from the value of its gross assets.

The net asset value of the Funds includes unrealised gains and losses and any income and realised gains accrued but not yet distributed. If unrealised gains are realised in the future, any assessable portion will be distributed to investors. Any amounts payable to or receivable by PAPL under the swap agreement (see 'Swap agreement' on page 5 for details) are also included in the net asset value of Perpetual Exact Market Return Fund.

In determining the net asset value of a Fund:

- for Perpetual Exact Market Return Fund – the fixed income investments are valued on a held-to-maturity basis and other investments are valued at their market value
- for all other Funds – investments are valued at their market value.

In all cases, we determine the calculation method according to the Fund's constitution. For those Funds investing in other managed funds, it will normally be based on the exit price of units in the underlying fund(s). Where we cannot value a Fund appropriately using the above method, we may use a different valuation method.

We can defer the calculation of unit prices where permitted by the relevant Fund's constitution and the law. For example, if significant delays occur where an underlying fund does not calculate or provide a price, transactions requiring the purchase and/or sale of units in the relevant Fund may not be processed until the underlying fund's unit price is determined.

A copy of our unit pricing policy, including details of any discretions that we may exercise in various circumstances, is available at our website or can be obtained free of charge by contacting us.

REPORTING

Investors in the Funds receive:

- an investment statement, generally within seven business days of your application being accepted and processed
- an investment restructure statement, generally within seven business days of any switch request being processed
- a withdrawal statement, generally within seven business days of any partial 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 for the financial year, generally sent by the end of August or shortly after, to providing relevant details for your income tax return (available on request by non-resident investors)
- confirmations for any other transactions that we are required to report on.

UPDATED INFORMATION

We can change the terms and features of the Funds according to the Funds' constitutions and other relevant law. Updated information that is not materially adverse to you will be available at our website. A paper copy of the updated information will be provided free of charge, on request.

Fund profiles (updated monthly) are also available at our website or can be obtained free of charge by contacting us.

CONTINUOUS DISCLOSURE DOCUMENTS

You may obtain a copy of the following 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 the date of lodgement of that annual report and
- any other material updates.

YOUR PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- the types of entities we usually disclose personal information to and the countries where they are likely to be located if it is practicable for us to specify those countries
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint.

Our privacy policy is publicly available at our website or you can obtain a copy free of charge by contacting us.

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.

Under the AML Act, we are required to:

- verify your identity before providing services to you, and potentially from time to time thereafter
- collect information about your circumstances, including the source of funds being invested, your occupation (individual investors) and your beneficial owners (non-individual investors)
- where you supply documentation relating to your identity, keep a record of this documentation for seven years after the end of your relationship with Perpetual.

As a result:

- transactions may be delayed or refused where we require further information regarding your identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country
- where transactions are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result of our compliance with the AML Act.

Where required by law, we may disclose your information to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC), which is responsible for regulating the AML Act.

Prospective Eligible Investors must complete the relevant 'Customer identification form', which is publicly available at our website or can be obtained free of charge on request.

We are not liable for any loss you may suffer as a result of our compliance with this legislation.

INQUIRIES AND COMPLAINTS

If you have an inquiry or are not completely satisfied with any aspect of our services regarding the Funds, please contact us. We will acknowledge any complaint in writing within five business days and make every effort to resolve your issue within 30 days of us being notified.

TRANSFER OF UNITS

With our consent, you may transfer your units in a Fund to another person by providing us with a signed and completed standard transfer form (with duty paid, if applicable) and any other documents we consider appropriate.

A transfer of units will generally be a disposal of units for tax purposes, which may have tax implications (see 'Tax' on page 14 for more details).

OUR ROLE AS RESPONSIBLE ENTITY

As the responsible entity of the Funds, our main responsibilities are to manage a Fund according to its constitution and investment policy as well as properly administering it. We have established 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 IM, the Corporations Act and other laws, regulates the Fund and our legal relationship with investors. The Funds' constitutions have been lodged with ASIC.

We can amend the Funds' constitutions as permitted by the Corporations Act. You may inspect the Funds' constitutions at our offices on any business day free of charge or obtain a free copy by contacting us.

BORROWING POWERS

All of the Funds' constitutions allow the Funds to borrow. The Funds currently don't intend to borrow as part of their investment strategy. However borrowing may occur in the management of the Funds. To the extent permitted, the Funds may borrow from a variety of sources, including companies associated with the Perpetual Group (in which case the terms are set on a commercial and arm's length basis).

OUR LIABILITY

Subject to the Corporations Act, we're not liable to investors for any losses in any way relating to the Funds, except to the extent to which the loss is caused by our fraud, negligence or breach of trust.

Our liability is, subject to the Corporations Act, limited to our ability to be indemnified out of the assets of the Funds.

RIGHTS OF INVESTORS

Each unit you hold in a Fund confers a proportional beneficial interest in the Fund. However, you're not entitled to any particular part of the Fund, its assets or its management or operation (other than through investor meetings).

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

SUSPENSION OF APPLICATIONS, SWITCHES AND WITHDRAWALS

In certain emergency situations that impact the effective and efficient operation of a market for an asset in a Fund or in circumstances where we otherwise consider it to be in investors' interests, we may suspend processing all applications, switches or withdrawals (including payments) for the Fund. This may include but is not limited to situations where:

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

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

OTHER CONDITIONS

An investor that appoints an authorised representative or uses the phone or email facilities (as applicable) to provide instructions to us:

- acknowledges that they are bound by the acts of their authorised representative
- releases, discharges and agrees to indemnify us and each other member of the Perpetual Group from and against all losses, liabilities, actions, proceedings, accounts, claims and demands arising from instructions we receive under the facility and
- agrees that a payment or purported payment made according to the conditions of the facility shall be in complete satisfaction of our obligations or those of any other member of the Perpetual Group to the investor for a payment, even if it was requested, made or received without the knowledge or authority of the investor.

CONSENT

NAB has given its written consent to be named in this IM relating to Perpetual Exact Market Return Fund in the form and context in which they have been disclosed. NAB makes no representations or warranties as to the completeness or appropriateness of any other information contained in the IM. NAB has not withdrawn its consent before the issue date of this IM and has not authorised or caused the issue of this IM.

APPLYING FOR AN INVESTMENT

To invest in the Funds, you should complete and sign the application form.

Please note:

- applicants must be over 18 years of age
- each applicant must be an Eligible Investor (see 'Important notes' on the inside front cover)
- applicants may be a company, an incorporated body or trustee of another entity, such as a superannuation fund
- the minimum investment amount in a Fund is \$500,000 per Eligible Investor
- investment amounts need not be in whole dollars
- our preferred method for lodging your investment amount is by direct payment into our nominated bank account (please contact us for details) under advice to us
- any cheques should be made payable to: 'PIML – [abbreviated Fund name] – [insert name of applicant(s)]'
- cash amounts are not accepted, however we reserve the right to determine other acceptable means of payment
- Perpetual reserves the right to refuse to accept an application (in whole or part).

By completing and submitting the application form to invest in the Funds:

- you are taken to have warranted and represented to Perpetual that the making of an offer to the investor is not an offer which requires disclosure to an investor under Part 7 of the Corporations Act 2001
- you warrant and represent that you are an Eligible Investor and if you are a joint investor each investor is an Eligible Investor
- you warrant and represent that you understood this IM, and agree to be bound by the constitution(s) of the relevant Fund(s) and any other additional obligations or restrictions contained in the IM
- you will be deemed to have read and understood the privacy disclosure as detailed in this IM and that you consent to your personal information being collected, held, used and disclosed in accordance with the privacy disclosure
- you consent to allow Perpetual to disclose this information to your authorised representative (whose details appear in the application form, if applicable) in relation to the investments described in the application form
- where the authorised representative named in the form no longer acts on your behalf, you agree and undertake to notify Perpetual of the change

- you further acknowledge and agree that Perpetual may be required to pass on your personal information or information about your investment to the relevant regulatory authorities, including for compliance with income tax law and the Anti-Money Laundering and Counter-Terrorism Act 2006 or associated regulation and any tax-related requirements for tax residents of other countries.

APPLICATION CONDITIONS

- In relation to trust investors, only the trustee has rights and obligations under the Funds.
- Joint applicants will be assumed to be joint tenants (that is, the survivor(s) will be recognised as holding title to the interests of a deceased joint investor), unless you otherwise specify.
- If signed under Power of Attorney, the Attorney certifies that he or she has not received notice of revocation. The Power of Attorney, or a certified copy, must be sent to Perpetual with the application form if it has not been previously provided.

AUTHORISED SIGNATORIES

If no amendments have been made, the authorised signatories to your investment are the individuals who signed the initial investment application form.

You can add additional authorised signatories or change the authorised signatories by written request signed by all existing authorised signatories and all new authorised signatories.

JOINT INVESTORS

For joint investors, unless you specify otherwise, we will assume that any investor has the signing authority for the other investor(s) for all future transactions and written changes, including:

- address
- bank account details
- distribution details
- switches
- withdrawals.

COMPANY INVESTORS

Unless we receive additional information, only the company directors, company secretary or attorney (holding a valid power of attorney) signing the application form will be authorised signatories to the company investment. You can add additional authorised signatories or change the authorised signatories by informing us in writing. Requests must be signed by all new authorised signatories.

Unless we otherwise agree, corporate applications must be executed in accordance with section 127 of the Corporations Act 2001 or under a power of attorney.

PROVIDING YOUR TFN OR ABN

Your TFN or ABN should be supplied based on your investor type (see page 15 for further information).

LODGING YOUR APPLICATION FORM

Please send your completed application form to:

Reply Paid 4171
Perpetual Investments
Perpetual Institutional Cash and Fixed Income Funds
GPO Box 4171
Sydney NSW 2001

(No stamp required if posted in Australia)

APPLICATION FORM

Please complete all pages of this form in black ink using **BLOCK letters**. Mark appropriate boxes with a cross like the following ☒. Start at the left of each answer space and leave a gap between words.

1. Investor type

Are you an existing Perpetual investor?

no ☐

yes ☐ client number

If yes, would you like to open a new account or make an additional investment into an existing account?

new account* ☐

additional investment ☐ existing account number please go to section 2

Investor type (please select only one investor type)

individual** ☐ joint** ☐ company ☐ superannuation fund ☐ trust ☐

partnership ☐ association ☐ government body ☐ other entity ☐

* If you are opening a new account, you will also need to complete the 'Customer identification form' for your investor type, available on our website (unless you have previously provided a form).

** Individual or joint investors include adult(s) investing for a child under 18 years.

2. Investment amount and payment details

How much would you like to invest? \$ (minimum \$500,000 per Eligible Investor)

Source of funds being invested (tick most relevant option)

retirement savings ☐ employment income ☐ business activities ☐

sale of assets ☐ inheritance/gift ☐ financial investments ☐

other

How will this investment be made? **NOTE:** Cash is not accepted.

direct credit ☐ investment amounts can be paid directly into our nominated bank account (please contact us for details) under advice to us

cheque ☐ make cheque payable to **PIML** – [insert abbreviated Fund name*] – [insert name(s) of applicant(s)]
*refer section 4 for details

3. Investor details

Existing investors in the Funds need only complete this section if you wish to change any details provided previously.

A. Individual and joint account holders

Investor 1 (individual account holder)

title	
Mr <input type="checkbox"/>	Mrs <input type="checkbox"/> Miss <input type="checkbox"/> Ms <input type="checkbox"/> other <input type="text"/>
first name(s)	
<input type="text"/>	
last name	
<input type="text"/>	
occupation	
<input type="text"/>	
date of birth	gender
<input type="text"/> / <input type="text"/> / <input type="text"/>	male <input type="checkbox"/> female <input type="checkbox"/>

Residency status for tax purposes

Tax residency rules differ by country. Whether an individual is a tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the United States, tax residency can also be as a result of citizenship or residency.

Please answer **BOTH** of the following tax residency questions:

1. Are you a tax resident of Australia?

yes ☐ (complete the following details and then proceed to question 2 below) no ☐ (proceed to question 2 below)

tax file number (TFN)

or

TFN exemption code

2. Are you a tax resident of another country?

yes ☐ (complete the following details) no ☐

If 'yes', please list all relevant countries and provide your tax identification number (TIN) for each country.

A TIN refers to the number assigned by a country for the purpose of administering its tax laws and is the equivalent of a TFN in Australia. If a TIN is not provided, please list one of the three reasons specified below (A, B or C) for not providing a TIN.

Country 1

TIN If no TIN, list reason A, B or C

Country 2

TIN If no TIN, list reason A, B or C

If there are more than two countries, provide details on a separate sheet and tick this box. ☐

Reason A: The country of tax residency does not issue TINs to tax residents.

Reason B: I have not been issued with a TIN.

Reason C: The country of tax residency does not require the TIN to be disclosed.

Investor 2 (joint account holder)

title	
Mr <input type="checkbox"/>	Mrs <input type="checkbox"/> Miss <input type="checkbox"/> Ms <input type="checkbox"/> other <input type="text"/>
first name(s)	
<input type="text"/>	
last name	
<input type="text"/>	
occupation	
<input type="text"/>	
date of birth	gender
<input type="text"/> / <input type="text"/> / <input type="text"/>	male <input type="checkbox"/> female <input type="checkbox"/>

Residency status for tax purposes

Tax residency rules differ by country. Whether an individual is a tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For the United States, tax residency can also be as a result of citizenship or residency.

Please answer **BOTH** of the following tax residency questions:

1. Are you a tax resident of Australia?

yes ☐ (complete the following details and then proceed to question 2 below) no ☐ (proceed to question 2 below)

tax file number (TFN)

or

TFN exemption code

2. Are you a tax resident of another country?

yes ☐ (complete the following details) no ☐

If 'yes', please list all relevant countries and provide your tax identification number (TIN) for each country.

A TIN refers to the number assigned by a country for the purpose of administering its tax laws and is the equivalent of a TFN in Australia. If a TIN is not provided, please list one of the three reasons specified below (A, B or C) for not providing a TIN.

Country 1

TIN If no TIN, list reason A, B or C

Country 2

TIN If no TIN, list reason A, B or C

If there are more than two countries, provide details on a separate sheet and tick this box. ☐

Reason A: The country of tax residency does not issue TINs to tax residents.

Reason B: I have not been issued with a TIN.

Reason C: The country of tax residency does not require the TIN to be disclosed.

3. Investor details (continued)

A. Individual and joint account holders

Investor 1 (individual account holder)

Residential address (mandatory)

unit number

street number

--	--	--	--	--	--	--	--	--	--

street name

suburb (if relevant) **OR** city

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

state

postcode

--	--	--	--	--	--	--	--	--	--

country

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

phone (business hours)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

phone (after hours)

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mobile

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

email address

Investor 2 (joint account holder)

Residential address (mandatory)

unit number

street number

--	--	--	--	--	--	--	--	--	--

street name

suburb (if relevant) **OR** city

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state

postcode

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country

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phone (business hours)

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phone (after hours)

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mobile

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email address

By providing this email address, I/we agree that Perpetual may use this email address to provide me/us with information about my/our investment (such as transaction confirmations, statements, reports and other materials or notifications required by the Corporations Act) or Perpetual's products, services and offers. From time to time we may still need to send you mail.

Postal address (if different to residential address)

po box

unit number

street number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

street name

suburb (if relevant) **OR** city

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state

postcode

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country

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same contact details as investor 1

po box

unit number

street number

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street name

suburb (if relevant) **OR** city

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state

postcode

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country

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3. Investor details (continued)

B. All other account holders

company name/corporate trustee																													
name of superannuation fund, trust, partnership, association, government body or co-operative																													
tax file number															and/or ABN														
principal business activity																													
c/-																													
po box										unit number										street number									
street name																													
suburb (if relevant) OR city																													
state					postcode					country																			
phone (business hours)										mobile										fax									
email address																													

By providing this email address, I/we agree that Perpetual may use this email address to provide me/us with information about my/our investment (such as transaction confirmations, statements, reports and other materials or notifications required by the Corporations Act) or Perpetual's products, services and offers. From time to time we may still need to send you mail.

4. Investment allocation (must be completed)

The minimum initial investment in a Fund is \$500,000 per Eligible Investor.

Fund name	Investment amount	Distribution instructions (indicate preference with an X)	
		Reinvest	Pay to my/our bank account (please also complete section 5)
Perpetual Exact Market Return Fund (PIFXCF)	\$	<input type="checkbox"/>	<input type="checkbox"/>
Perpetual High Grade Floating Rate Fund (PYEF)	\$	<input type="checkbox"/>	<input type="checkbox"/>
Perpetual Credit Income Fund (PIFHGF)	\$	<input type="checkbox"/>	<input type="checkbox"/>
Perpetual Active Fixed Interest Fund (PIFHAF)	\$	<input type="checkbox"/>	<input type="checkbox"/>

[illegible]

no ☐ please go to section 7.

yes ☐ please complete the details below.

I have read the terms and conditions associated with appointing an authorised representative.

authorised representative details:

first name(s)

last name

po box unit number street number

street name

suburb (if relevant) **OR** city

state postcode country

signature of authorised representative

date / /

If no selection is made, 'Either to sign' will be assumed.

8. Declaration and applicant signature(s) (must be completed)

I/We have received and accepted the offer to invest in Australia.

I/We have read and understood the attached Information Memorandum for Perpetual Institutional Cash and Fixed Income Funds (Funds) and agree to be bound by the provisions of the Funds' constitutions and any other additional obligations or restrictions in the Information Memorandum.

I/We have read and understood the privacy disclosure as detailed in the Information Memorandum. I/We consent to my/our personal information being collected, held, used and disclosed in accordance with the privacy disclosure. I/We consent to Perpetual disclosing this information to my/our authorised representative (named in this form) in relation to the investments described in this form. Where the authorised representative named in this form no longer acts on my/our behalf, I/we will notify Perpetual of the change.

I/We acknowledge and agree that Perpetual may be required to pass on my/our personal information or information about my/our investment to the relevant regulatory authorities, including for compliance with the Anti-Money Laundering and Counter-Terrorism Act 2006 or associated regulation and any tax-related requirements for tax residents of other countries.

I/We acknowledge that no company in the Perpetual Group guarantees the performance of the Funds, the return of my/our capital or any specific rate of return.

I/We each warrant and represent by signing the application that:

- (a) the making of an offer to me/us is not an offer which requires disclosure to an investor under Part 7.9 of the Corporations Act;
- (b) I am/we are each wholesale clients as defined in accordance with Section 761G(7) of the Corporations Act and, accordingly, that one or more of the following applies:
 - (i) the minimum value of the investment (by each investor in the case of joint investors) is \$500,000;
 - (ii) the financial product which is the subject of this Information Memorandum is provided to me/us in connection with a business that is not a small business; or
 - (iii) I/we each attach a certificate given within the preceding 6 months by a qualified accountant (as defined by Section 88B of the Corporations Act) which states that I/we have net assets of at least \$2.5 million or my/our gross income for each of the last two financial years is at least \$250,000; or
 - (iv) I/we are professional investors (as defined in Section 9 of the Corporations Act).

Joint applicants must both sign

signature of investor 1 or company officer	signature of investor 2 or company officer
<div></div>	<div></div>
print name	print name
<div></div>	<div></div>
<div></div>	<div></div>
capacity (company investments only)	capacity (company investments only)
<div></div> sole director <div></div> director <div></div> secretary	<div></div> director <div></div> secretary
date	date
<div></div> / <div></div> / <div></div>	<div></div> / <div></div> / <div></div>

CONTACT DETAILS

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South Australia
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101 Grenfell Street
Adelaide SA 5000

Victoria
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