



29 May 2019

E.g. Mr John Smith
123 Pitt St
Sydney NSW 2001

Dear Mr Smith

Account number: xxxxxx
Client number: xxxxxx

Changes to calculation basis of base management fee rebates

We are writing to inform you that the base fee rebate calculation basis is changing from 1 July 2019 and give information about how we have calculated rebates before this date.

How the base fee rebate works

A summary of base fee rebate threshold's is set out in the table below:

VALUE OF INVESTMENT	REBATE (% PA)	HOW THE BASE FEE REBATE IS APPLIED
First \$150,000	Nil	The base fee rebate will be applied quarterly at the end of each September, December, March and June.
Next \$350,000	0.40%	
Over \$500,000	0.75%	If you withdraw your investment from your account prior to the end of the quarter, you won't receive any base fee rebates for that quarter. If you have more than one Select Investment Funds account, the rebate is calculated and applied separately for each account. These steps have not changed.

Base Fee Rebate calculation methodology changes from 1 July 2019

To date investors have been entitled to receive base fee rebates calculated **on month-end** balances. From 1 July 2019, the base fee rebate will be calculated based on the **average daily** value of your investment over each quarter. The base fee rebate will be paid quarterly as outlined above.

Impact of the change from month end to average daily basis

For investors that are eligible to receive a base fee rebate this change may have a slight positive or negative impact on your future rebates depending on a range of factors including application amounts, withdrawals and market movement. For a typical account, the impact is likely to be immaterial and can't be predicted in advance.

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Why is this change being made?

The daily average calculation method aligns the calculation basis of the base fee rebate with the calculation of the base fee itself and therefore provides a more accurate basis for determining rebates.

Base Fee rebates paid before 1 July 2019

For the period 1 July 2008 to 30 June 2019, this rebate has been calculated based on the **average daily balance** of your investment and **paid annually**. The base fee rebate should have been calculated based on the value of your investment **at the end of each month** and **paid quarterly** as outlined in the Perpetual Select Investment Funds Product Disclosure Statements during that period.

We will calculate if these errors have impacted your current account balance. If your account has been negatively impacted, you will receive a compensation payment. We will notify you when this payment is made. If you have received a benefit as a result of this error, no adjustments will be made to your account.

What you need to do

You don't need to take any action. We will work to resolve this matter for our investors.

Further information

For further information, please contact us on 1800 003 001 during business hours (Sydney time) or speak to your financial adviser. Alternatively, you can visit our website at www.perpetual.com.au or email us at investments@perpetual.com.au.

Yours sincerely,

Jason Komadina

General Manager, Product and Investments