

Perpetual WealthFocus Investment Advantage

Additional information relating to BlackRock Tactical Growth investment option effective 1 March 2019

The following information forms part of and should be read in conjunction with Product Disclosure Statement issue number 8 dated 1 March 2019 for Perpetual WealthFocus Investment Advantage.

The Australian Securities and Investments Commission (ASIC) requires specific additional information to be provided for certain funds that pursue complex investment strategies (eg via use of leverage, derivatives and short selling) and/or have other characteristics (eg complex structures and/or performance fees) that may result in increased risk.

The following table provides a summary of this additional information as it relates to the BlackRock Tactical Growth Fund (fund) and the responsible entity of the fund, BlackRock Investment Management (Australia) Limited (BlackRock). Further details about the fund and the underlying funds in which the fund invests can be found in the fund's product disclosure statement (as supplemented from time to time) and incorporation by reference document, both dated 31 August 2017 (the fund's PDS and Incorporation by Reference), issued by BlackRock, which are publicly available at BlackRock's website (www.blackrock.com.au).

Feature	Details
Periodic reporting	<p>The following fund information will be publicly available at BlackRock's website on a monthly basis:</p> <ul style="list-style-type: none"> the current total net asset value (NAV) of the fund and the redemption value of a unit in the fund as at the date on which the total NAV was calculated changes to key service providers and their related party status the net return of the fund's assets after fees, costs and taxes any material change in the fund's risk profile any material change in the fund's strategy any changes in the individuals playing a key role in investment decisions for the fund <p>The following fund information will be publicly available at BlackRock's website on an annual basis:</p> <ul style="list-style-type: none"> actual allocation to each asset type held by the fund the liquidity profile of the fund's assets the maturity profile of the fund's liabilities the leverage ratio of the fund derivatives counterparties engaged annual investment returns changes to key service providers and their related party status. <p>Where required information will also be provided with regards to the pooled investment vehicles (underlying funds) into which the fund invests either directly or indirectly.</p>
Investment strategy	<p>The objective, investment approach and investment guidelines for the BlackRock Tactical Growth investment option are shown in the 'Investment option profiles' in the Investment Book.</p> <p>The fund may utilise or be exposed to investment strategies in underlying funds that include the use of short selling, derivatives or leverage – refer below for additional information.</p> <p>Further information about the fund's and underlying funds' investment strategies can be found in the fund's PDS and Incorporation by Reference, including details of:</p> <ul style="list-style-type: none"> how the investment strategies will produce results and their key dependencies what the fund and underlying funds invest in what happens when there are changes to the investment strategies specific risks associated with the investment strategies and key aspects of the fund's and the underlying funds' risk management strategy. <p>You should also refer to 'Understanding investment risk' in the Features Book for information about the risks of investing in the Fund and how these risks are managed.</p>

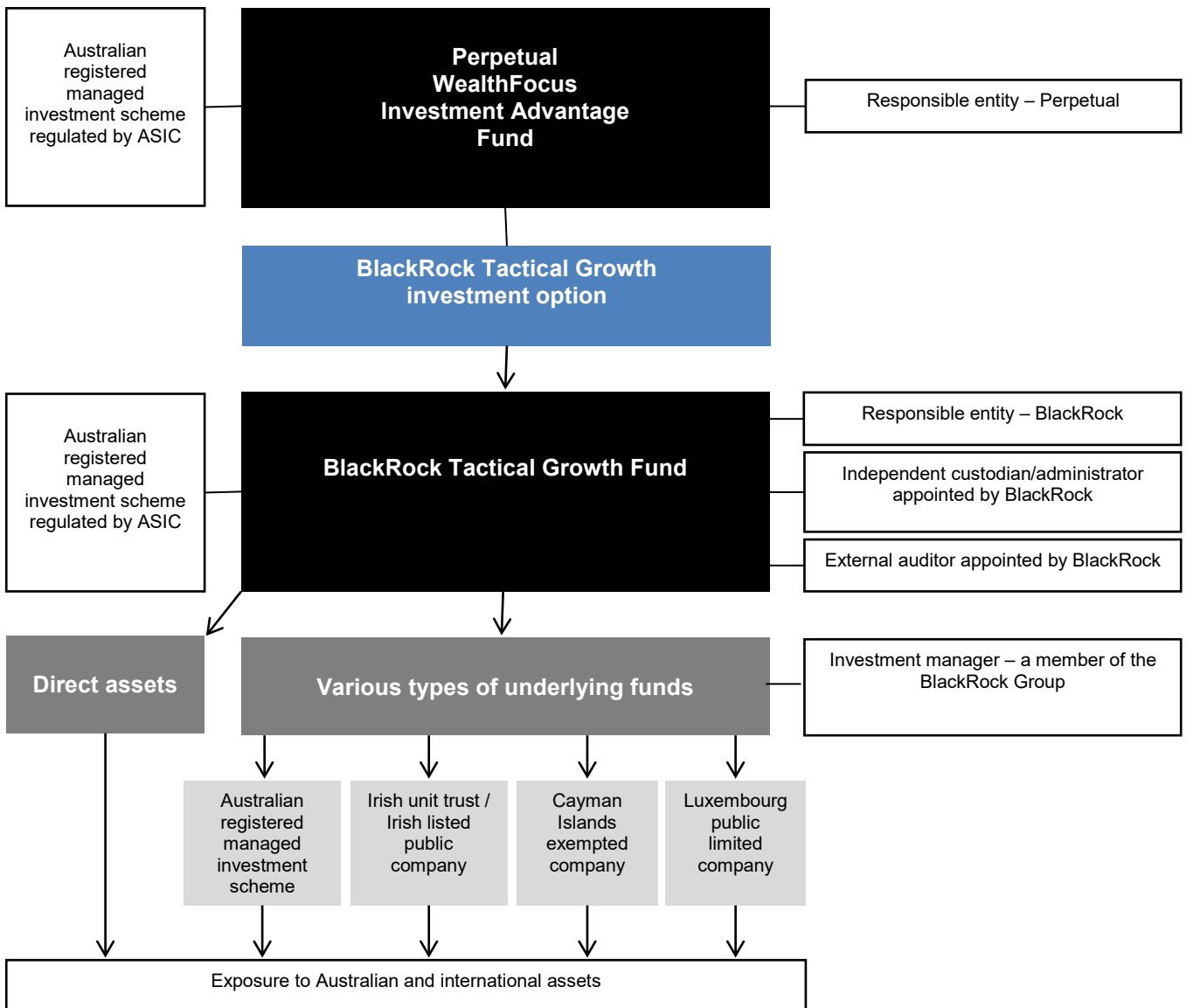
Feature	Details
Investment manager	<p>BlackRock is the responsible entity and investment manager for the fund. Each underlying fund is managed and/or has appointed as their investment manager a member of the BlackRock Group.</p> <p>As investment manager, BlackRock is responsible for managing assets of the fund. The implementation of the fund's and underlying funds' investment strategies are considered institutional BlackRock capabilities, meaning BlackRock considers that they do not rely on the involvement of any particular individual.</p> <p>Further details about the fund's investment manager and the appointed investment managers of the underlying funds, including details of the fund's constitution and the investment management arrangements of the underlying funds and the circumstances in which such arrangements may be terminated, can be found in the fund's PDS and Incorporation by Reference.</p>
Fund structure	<p>The BlackRock Tactical Growth investment option invests into the BlackRock Tactical Growth Fund to gain exposure to its assets – refer 'Fund structure' below for further information. The fund invests into various types of underlying funds and may also hold assets directly. Further details about the fund structure, including the names of the underlying funds and the jurisdictions in which they operate, related party relationships within the structure, and the due diligence and selection process of underlying funds can be found in the fund's PDS and Incorporation by Reference.</p> <p>The BlackRock Tactical Growth investment option's management costs include a management fee – refer 'Management costs' in the Features Book for details.</p>
Valuation, location and custody of assets	<p>Valuation of assets</p> <p>The BlackRock Group generally implements valuation policies that require fund assets that are not exchange traded to be valued by an independent administrator or an independent valuation service provider. In certain (generally infrequent) circumstances where a valuation cannot be obtained from an independent administrator or an independent valuation service provider, the asset may be valued on another basis in accordance with the applicable valuation policy. The valuation process may have regard to the nature of the asset and to any relevant factors, to address any risks of lack of independence in valuations and related party conflicts of interest, which may include referring the matter to an internal committee and/or board of trustees/directors. Prices are generally required to be estimated in good faith and are to be representative of the probable realisation value of the security. Further details about the valuation of assets of the fund and underlying funds are available in the fund's PDS.</p> <p>Location of assets</p> <p>As a global fund with a broad investment universe physical instruments held by the fund may be denominated in any global currency and may be located in any country of the world. Underlying funds are generally domiciled in Australia, the Cayman Islands, Luxembourg or Ireland and are generally denominated in either U.S. or Australian dollars.</p> <p>The fund and underlying funds do not seek to restrict the underlying fund(s) into which they invest with regard to the permitted geographic location of any such underlying fund, its manager, or the focus of its investing. These considerations are taken into account as part of the due diligence review of an underlying fund and as part of the oversight and management of each fund in the investment structure. Further information about the fund's and underlying funds' location and currency denomination of assets is available in the fund's PDS and Incorporation by Reference.</p> <p>Custody of assets</p> <p>The fund and underlying funds have each engaged an independent custodian to provide custodial services, including the safekeeping of their assets. Please refer to the 'Key service providers' section of this document for further information.</p>
Liquidity	<p>As at the date of this document, BlackRock reasonably expects, should the need arise, to be able to realise at least 80% of the fund's assets (including units in underlying funds), at the value ascribed to those assets in calculating the fund's net asset value, within 10 days.</p> <p>The fund and underlying funds do not set any specific restrictions in terms of the liquidity of the underlying fund(s) into which they invest. The liquidity characteristics of portfolio holdings are considered as part of the due diligence review of an underlying fund and as part of the oversight and management of each fund in the investment structure. The BlackRock Group's risk management practices also include the regular monitoring of the liquidity characteristics of BlackRock Group funds, and the assets in which they invest, to seek to ensure funds remain within permitted investment parameters.</p> <p>Further information about the liquidity of the underlying funds is available in the fund's Incorporation by Reference.</p>

Feature	Details
Leverage	<p>The fund does not enter into borrowing arrangements for investment purposes, other than temporary overdrafts which may be used as a means of managing certain cash flows. The fund may, however, gain leveraged market exposure through its use of derivatives and short selling and its exposure to the underlying funds, which may utilise leverage in their investment program. Leverage may be used by the fund and underlying funds to increase buying power or to take advantage of market opportunities, where consistent with the investment strategy of the fund.</p> <p>The fund and underlying funds do not specify any particular acceptable types of leverage to be used by the underlying fund(s) into which they invest or set any limits in terms of the gross level of leverage used. Leverage exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy. While there is no explicit maximum level of gross leverage that the fund may be exposed, the gross level of leverage is expected to range between approximately 1 to 5 times NAV. For comparison purposes, when calculating expected leverage, 10 year equivalent exposures are used for fixed income securities. Shorter duration fixed income securities are generally less volatile than fixed income securities with longer duration, therefore, adjusting fixed income exposures to 10 year equivalents provides a more comparable basis for the assessment of risk between different fixed income securities.</p> <p>The leverage of the fund may fluctuate from time to time depending on changes to the embedded leverage to which the fund is exposed as a result of its exposure to leveraged underlying funds. Such embedded leverage may change due to variations in the investment activity and security exposures of an underlying fund. For example, greater investment by an underlying fund in shorter dated, lower volatility, fixed income securities may require the underlying fund to increase its leverage exposure in order to achieve its stated investment objectives. Conversely, greater investment by an underlying fund in higher volatility securities, like equities or commodities, may require that underlying fund to reduce its leverage exposure in order to achieve its stated investment objectives. In addition, some underlying fund may seek absolute returns from relative value decisions between markets ('this market will do better than that market'), as well as from directional views on markets ('this market is going to go up or down'). The extent of leverage is likely to depend on the degree of correlation between positions. The higher the degree of correlation, the greater is the likelihood and probable extent of leverage. Where the fund is exposed to leverage through its investment in the underlying funds, any potential losses are limited to the capital allocated to each underlying fund.</p> <p>The fund and underlying funds may obtain leverage from brokers, banks and other counterparties. Where permitted, leverage may be achieved through, among other methods, borrowing, purchasing financial instruments on margin and investing in derivative instruments that are inherently leveraged.</p> <p>Further information on the maximum and anticipated level of gross leverage of the underlying funds and details of appointed prime brokers can be found in the fund's Incorporation by Reference.</p> <p>Further information about the fund's and underlying funds' use of leverage, including circumstances in which leverage may be used and restrictions on its use, sources of leverage, whether assets are used as collateral, the maximum and anticipated level of leverage of underlying funds and an example showing the impact of leverage can be found in the fund's PDS and Incorporation by Reference.</p>
Derivatives	<p>Derivatives are financial instruments whose value is derived from another security, commodity, currency, or index. The use of these instruments can reduce the costs of managing exposure to investment markets and makes possible a wider universe of investment opportunities. Asset allocation positions of the fund may be implemented through derivatives, along with investments in underlying funds. Derivatives are also used to ensure that underlying asset exposures of the fund are consistent with the fund's strategic benchmark. Derivatives may also be used to deviate from the fund's strategic benchmark from time to time to manage total portfolio risk.</p> <p>The fund and many of the underlying funds may use derivatives, both exchange traded and over-the-counter (OTC), and in some instances derivative use may be extensive. The types of derivatives used by the fund include, but are not limited to, futures, options, swaps and forwards. The fund may also use structured investment instruments from time to time in pursuit of its investment objective.</p> <p>The fund and underlying funds do not specify any particular approved types of derivatives to be used by underlying fund(s) into which they invest or set any limits on derivative exposure. Derivative exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy. All counterparties of the fund and underlying funds are formally approved by the BlackRock Group's Counterparty and Concentration Risk Group, prior to a fund engaging in any transaction with a particular counterparty. No transaction may be entered into with a counterparty that has not previously been approved.</p> <p>The BlackRock Group prefers to have multiple counterparties for liquidity, risk management and best execution purposes. The counterparties with which the BlackRock Group trade must have broad market coverage. Positions are marked-to-market on a regular basis and exposure to each counterparty is monitored. Transaction documentation is implemented where appropriate to minimise exposure to individual counterparties. To monitor post-trade counterparty risk, the BlackRock Group has implemented strong technological infrastructure and proprietary internal review processes. The BlackRock Group also has a number of reporting tools that allow it to manage counterparty exposure, balancing net exposures to its different counterparties. Where necessary, credit risk exposure to counterparties can be adjusted, both at the individual portfolio level and at the aggregate firm-wide level. Further information about the fund's and underlying funds' use of derivatives, including the types of derivative used, the criteria for engaging derivative counterparties and key risks associated with the use of derivatives can be found in the fund's PDS and Incorporation by Reference.</p>

Feature	Details
Short selling	<p>The fund and a number of the underlying funds may engage in short selling. The fund may be exposed to investment strategies that engage in short selling either directly through borrowing and selling physical securities or synthetically through derivatives such as futures, options or other instruments.</p> <p>The fund and underlying funds do not seek to restrict the investment strategies of the underlying fund(s) into which they invest with regard to their use of short selling, including the level of short selling that may be undertaken. Short selling exposure is controlled at each level of the investment structure, through the oversight and management of each fund's investment strategy. Refer 'Short-position risk' in the Features Book for information about associated risks.</p> <p>Further information about the fund's and underlying funds' use of short selling, including an explanation of the purpose and rationale of short selling, the risks associated with short sell and how these risks will be managed can be found in the fund's PDS and Incorporation by Reference.</p>
Withdrawals	<p>You can generally withdraw all or part (minimum \$1,000) of your investment in the BlackRock Tactical Growth investment option at any time as long as you maintain any required minimum balance (currently \$1,000) after any partial withdrawal – refer 'Withdrawals' and 'Suspension of applications, switches and withdrawals' in the Features Book for further information.</p>

Fund structure

The following diagram illustrates the investment structure that applies to the BlackRock Tactical Growth investment option.



Key service providers

BlackRock has appointed the following independent key service providers for the BlackRock Tactical Growth Fund:

- custodian and administrator – JP Morgan Chase Bank, N.A.
- auditor – Deloitte Touche Tohmatsu.

The fund and each underlying fund have entered into separate arrangements with each of their key service providers, which generally set out the terms and conditions of the service provider's appointment, where applicable, specified benchmarks and service levels, as well as the consequences of any breaches to the terms of the appointment. Before any key service provider is engaged by the BlackRock Group a due diligence exercise or assessment of the prospective key service provider is generally undertaken. Consideration and continuous monitoring of key service providers is also undertaken through day-to-day dealings with these entities.

The fund and underlying funds do not generally request specific requirements in respect of the custodial arrangements of the underlying fund(s) into which they invest. Custodial arrangements are considered at each level of the investment structure, through the oversight and management of each fund.

Further information about key service providers to the fund and underlying funds, including details of appointed custodians, administrators, auditors and prime brokers can be found in the fund's PDS and Incorporation by Reference.

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