

THE TRUST COMPANY PHILANTHROPY FUND

Additional information

IMPORTANT NOTES

The information in this document forms part of and should be read in conjunction with the Product Disclosure Statement dated 1 October 2020 for The Trust Company Philanthropy Fund (PDS).

- It contains important additional information about:
- how the Fund works
- fees and costs
- how managed investment schemes are taxed.

We may update this document where we can according to the Fund's constitution and the law. The updated document will be available at our website and you can also obtain a copy free of charge upon request. You should keep a copy of this document and any updates to it for your reference.

**ADDITIONAL INFORMATION
DATED 1 OCTOBER 2020**

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

Perpetual 

HOW THE FUND WORKS

INVESTMENTS

You can invest in the Fund by directing Perpetual Private to lodge an investment application with 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 required by the law.

WITHDRAWALS

The general withdrawal provisions assume that the Fund is liquid at the time a withdrawal request is received. If the Fund becomes non-liquid at any time, we may not be able to pay withdrawals or may need to defer or place limits on withdrawal requests (see 'Implications if the Fund becomes non-liquid' in the PDS for further information).

You can withdraw some or all of your investment in the Fund at any time by directing Perpetual Private to contact us and provide us with the number of units or the amount to be withdrawn.

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 Perpetual Private if this happens.

We'll confirm all withdrawals in writing with Perpetual Private.

DISTRIBUTIONS

A distribution is the payment of the Fund's distributable income to investors at predetermined intervals.

At the end of each distribution period, the Fund's unit price will typically fall as it is adjusted to reflect the amount of any distribution paid. As the distribution amount you receive 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 paid for that period.

The Fund's constitution allows us to make special distributions on an interim basis without prior notice to investors.

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 (if available) – see 'Distributions' under 'Tax' on page 6.

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

As the Fund has elected into the AMIT regime, there may be implications for distributions (see 'Tax' on page 6 for details).

HOW UNITS ARE PRICED AND INVESTMENTS ARE VALUED

Unit prices for the 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 values of the Fund on each business day. The net asset value is calculated by deducting the value of the Fund's liabilities from the value of its gross assets.

The net asset value of the Fund 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 may be distributed to investors.

Investments are valued at their market value. In all cases, we determine the valuation method according to the Fund's constitution. For the Fund's investments in other managed funds, the market value will normally be based on the relevant price of units in the underlying fund(s). We generally calculate and apply entry and exit unit prices each business day.

We can defer the calculation of unit prices where permitted by the Fund's constitution and the law. For example, if significant delays occur where an underlying fund does not calculate or provide a price, unit prices may not be calculated nor applications and withdrawals processed for the Fund until the underlying fund's unit price is determined. When transactions are processed we'll use the applicable unit price you are entitled to, based on the date we received your transaction instruction from Perpetual Private.

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.

CONTINUOUS DISCLOSURE DOCUMENTS

The Fund may be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, any ASIC office. You may obtain a copy of the following at our website or from us free of charge on request:

- the Fund's annual financial report most recently lodged with ASIC
- any half-yearly financial reports lodged with ASIC by the Fund after lodgement of that annual report
- any continuous disclosure notices given by the Fund after that date of lodgement of that annual report and
- any other material updates.

FEES AND COSTS

FEES AND COSTS SUMMARY

The following 'Fees and costs summary' table and other information in this section provides further details about the fees and costs that you may be charged for investing in the Fund and should be read in conjunction with the PDS. You should read all information about fees and costs because it's important to understand their impact on your investment.

Unless otherwise stated, all fees and other costs disclosed in this document are inclusive of the net effect of GST.

FEES AND COSTS SUMMARY

THE TRUST COMPANY PHILANTHROPY FUND		
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	1.54% pa	The management fee, which is expressed as a percentage of the net asset value of the Fund, is calculated and accrued daily and generally paid to us monthly. It is deducted directly from the Fund's assets and reflected in its unit price. We may negotiate a rebate of all or part of our management fee with Perpetual Private. ¹ Management costs are charged directly to the Fund and/or incurred indirectly in underlying funds. The method and frequency of deduction of each component differs (see 'Management costs' on pages 4-5 for details).
Performance fees Amounts deducted from your investment in relation to the performance of the product	0.07% pa	A performance fee is an amount payable to relevant investment managers of international shares and alternative assets only if the investment manager outperforms a defined performance hurdle (benchmark) for a defined period of time. All performance fees will be incorporated in the unit prices of the Fund or relevant underlying funds.
Transaction costs The costs incurred by the scheme when buying or selling assets	0.21% pa	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: 0.12% Sell spread: 0.10%	Estimated transaction costs are allocated when an investor buys or sells units in the Fund by incorporating a buy/sell spread between the Fund's entry and exit unit prices, where appropriate.
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' within the 'Additional explanation of fees and costs' section on page 4 for further information.

ADDITIONAL EXPLANATION OF FEES AND COSTS

ONGOING ANNUAL FEES AND COSTS

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

- management fees and costs
- any applicable performance fees
- transaction costs.

The amounts shown in the following ‘Estimated ongoing annual fees and costs’ table include our management fee, estimated management costs, estimated performance fees and estimated transaction costs as at the date of the PDS. Any updates from time to time, which are not materially adverse, will be available at our website.

Ongoing annual fees and costs may vary in future years. Updated details will also be available at our website each year.

ESTIMATED ONGOING ANNUAL FEES AND COSTS

FUND	ESTIMATED MANAGEMENT FEES AND COSTS			ESTIMATED PERFORMANCE FEES (% PA) ³	ESTIMATED TRANSACTION COSTS (% PA) ⁴	ESTIMATED TOTAL ONGOING ANNUAL FEES AND COSTS (% PA)
	MANAGEMENT FEES (% PA)	ESTIMATED MANAGEMENT COSTS				
		ESTIMATED ALTERNATIVE ASSET FEES ¹ (% PA)	ESTIMATED OTHER MANAGEMENT COSTS ² (% PA)			
The Trust Company Philanthropy Fund	1.12%	0.25%	0.17%	0.07%	0.21%	1.82%

1 Estimated alternative asset fees are based on those charged for the financial year ended 30 June 2020, which may vary in future years. The Fund’s actual exposure to alternative assets and the relative allocations between their various underlying investment managers, charging differing amounts in varying ways, will impact the total alternative asset fees charged each year.

2 Estimated other management costs are based on management costs (including any indirect costs associated with investing in the underlying funds and any relevant derivatives) for the financial year ended 30 June 2020, which may vary in future years. See ‘Other indirect management costs’ on page 5 for further information.

3 Estimated performance fees are based on average annual performance fees charged by relevant investment managers for the previous five financial years ended 30 June 2020 (see ‘Historical performance fees’ on page 5 for details).

Performance fees should not be considered in isolation of investment returns. Past performance and these estimates are not indicative of future returns. Performance fees payable in the future may vary depending on:

- the portions of the underlying funds’ assets that are subject to performance fees
- the underlying funds’ allocations between the relevant investment managers, charging differing performance fees against varying outperformance benchmarks
- the actual investment returns each investment manager achieves.

See ‘Performance fees’ on page 5 for further information.

4 Estimated transaction costs represent **net** transaction costs borne by all investors in the Fund after any buy/sell spread recoveries charged on investor-initiated transactions for the financial year ended 30 June 2020, which may vary in future years. **Transaction costs should not be considered in isolation of investment returns.** It is important to understand that actively managed investments are likely to have higher transaction costs than passively managed investments, such as index funds, because of the higher expected volume of trading of the portfolio’s assets in generating investment returns.

MANAGEMENT FEES AND COSTS

MANAGEMENT FEE

We receive a management fee for managing and administering the Fund and overseeing the Fund’s investments.

We pay any investment management fees in relation to the underlying funds (other than any alternative asset fees and performance fees) out of the management fee we receive.

DIFFERENTIAL FEES

We may negotiate a rebate of all or part of our management fee with Perpetual Private, as a wholesale client (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:

- alternative asset fees
- operating expenses (see ‘Operating expenses’ on this page)
- other indirect management costs.

ALTERNATIVE ASSET FEES

Alternative asset fees are management costs since they are not paid out of the management fee we receive due to the unique nature of alternative assets and the varying ways in which fees may be levied by the respective investment managers of relevant underlying funds.

OPERATING EXPENSES

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

There is no limit in the Fund’s constitution 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 Fund, which include items such as audit fees, custody fees and expenses for publishing the PDS.

Abnormal operating expenses

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

OTHER INDIRECT MANAGEMENT COSTS

The underlying funds may also charge expense recoveries, 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.

Management costs may also be incurred if the Fund or underlying fund invests in derivatives.

PERFORMANCE FEES

The Fund does not charge performance fees directly. However, some of the investment managers for international shares and alternative assets may also be entitled to a performance fee as part of their remuneration.

Performance fees are payable when an investment manager outperforms a defined performance hurdle (benchmark), for a defined period of time.

The performance fee payable to these investment managers is based on a percentage earned on that manager's outperformance of their respective benchmark. The exact methodologies for calculating performance fees vary significantly between the investment managers of relevant underlying funds.

For relevant investment managers of international shares, the maximum performance fee rate can be up to 25% of outperformance. For alternative assets, the maximum performance fee rate is 30% of any outperformance above the investment manager's management fee.

HISTORICAL PERFORMANCE FEES

The following 'Historical performance fees' table on this page shows details of total performance fees paid to relevant underlying investment managers over the previous five financial years ended 30 June 2020. The estimated performance fees shown in the 'Fees and costs summary' table on page 3 are based on the average annual performance fees charged by relevant investment managers over this period.

HISTORICAL PERFORMANCE FEES

FINANCIAL YEAR ENDED 30 JUNE	PERFORMANCE FEES
2016	0.00%
2017	0.09%
2018	0.09%
2019	0.07%
2020	0.08%
Average annual performance fees	0.07% pa

TRANSACTION COSTS

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

When the 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 the 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, as described under 'Buy/sell spread' on this page.

Net transaction costs after any buy/sell spread recoveries on investor-initiated transactions, as shown in the 'Fees and costs summary' table on page 3, are a cost to all investors in a Fund.

Transaction costs may vary from year to year without notice to investors.

The following annual transaction cost information for the Fund based on the most recently completed financial year, which forms part of the PDS, is publicly available at our website or 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 the Fund by incorporating a buy/sell spread between the Fund's 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 the 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 document, as shown in the 'Fees and costs summary' table on page 3, may change (increase or decrease) during the life of the PDS. The current buy/sell spread for the 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 Fund.

FURTHER INFORMATION ABOUT FEES AND COSTS

BORROWING AND MAINTENANCE COSTS

Any borrowing and maintenance costs are additional to the fees and costs shown in the 'Fees and costs summary' table on page 3.

STRATEGIC BORROWING AND PROPERTY MAINTENANCE COSTS

Any strategic borrowing and property maintenance costs which may be incurred indirectly in relation to some of the Fund's underlying assets are reflected in the unit prices of the relevant underlying funds.

OPERATIONAL BORROWING COSTS

If the 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.

MAXIMUM FEES AND CHARGES

The Fund's constitution allows us to charge maximum fees as outlined below.

FEE OR COST	MAXIMUM
Entry fee	5% of the application moneys payable on application
Management fee	3% pa of the Fund's total asset value
Switch fee	5% of the exit price, based on the amount switched
Exit fee	5% of the exit price, based on the amount withdrawn
Expense recoveries	Unlimited

The amounts shown in the table exclude any GST that the responsible entity may be entitled to be paid or reimbursed out of the assets of the Fund, as applicable.

INCREASES OR ALTERATIONS TO OUR FEES

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

Management costs, any performance fees payable in underlying funds and transaction costs may vary each year without notice.

TAX

Tax information, including GST, is set out on this page.

ADVISER REMUNERATION

FINANCIAL ADVISER COMMISSIONS

No commissions are paid to your financial adviser.

OTHER BENEFITS

As a result of your investment in the Fund your financial adviser may receive other non-monetary benefits (where allowed by law), which are not an additional cost to you.

TAX

The tax consequences of investing in managed investment schemes are particular to your circumstances, so we recommend you see a tax adviser. This information is general only and shouldn't be relied on.

As you are investing indirectly through a Service, you should also refer to Perpetual Private for further information about the tax treatment of your investment in the Fund.

ATTRIBUTION MANAGED INVESTMENT TRUST (AMIT) REGIME

The Fund has elected into the AMIT regime.

TAX POSITION OF THE FUND

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

Under the AMIT regime, each year, we are required to break down the income of the 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).

The 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 the PDS).

Investors will be subject to tax on the income of the Fund that is attributed to them each year ending 30 June. If there is income of the 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

The following information may not be relevant to investors that are exempt from income tax.

DISTRIBUTIONS

For information about the calculation of your distribution entitlement, see 'Distributions' on page 2.

The income of the Fund 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 the 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 of units from the Fund 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

Perpetual Private will use the information we provide to prepare their statements for you.

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.

GOODS AND SERVICES TAX (GST)

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

Generally, the Fund 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 page 3 show the approximate net cost to the Fund of these amounts payable to us, on the basis that the Fund is entitled to claim RITCs for the GST on relevant amounts.

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