Perennial Value Microcap Opportunities Trust

Product Disclosure Statement (PDS)

04 March 2021

Contents

This PDS provides a summary of significant information you need to make a decision about the Perennial Value Microcap Opportunities Trust (the Trust). It includes references to important information which forms part of this PDS. These references begin with an exclamation mark '!'. This is important information that you should consider together with the PDS before making a decision to invest in the Trust. The information in this PDS is general information only and does not take into account your objectives, personal financial situation or needs. We strongly recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. For a free printed copy of this PDS and the important information that forms part of the PDS, please contact a Client Services Representative on 1300 730 032 (Australia) or +612 8823 2534 (New Zealand).

Updated information

The information in this PDS is up to date at the time of preparation. Information in this PDS is subject to change from time to time. Where changes are not materially adverse to investors, updated information about the Trust can be obtained anytime from Perennial's website **www.perennial.net.au**. A paper copy of updated information will be provided free of charge on request. All parties have given, and not before the date of this PDS withdrawn their consent to the inclusion in the PDS of the statement concerning them in the form and context in which it is included.

The investment offered in this PDS is available only to persons receiving this PDS (electronically or in hard copy) within Australia and New Zealand. Applications from outside Australia and New Zealand will not be accepted.

All monetary amounts referred to in this PDS are given in Australian dollars and all phone/fax numbers are to phone/fax numbers in Australia (unless otherwise stated).

Contact details

Responsible Entity
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Investment Manager
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1. About Perennial Investment Management Limited

Perennial Investment Management Limited (PIML) is the responsible entity of the Trust and is responsible for the management and administration of the Trust. PIML is referred to as 'responsible entity', 'we', 'us' and 'our' throughout this document. PIML has appointed Perennial Value Management Limited ABN 22 090 879 904, AFSL 247293 (Perennial Value) to manage the investments of the Trust. PIML and Perennial Value are collectively referred to in this document as 'Perennial'.

Neither PIML nor Perennial Value guarantees the performance of the Trust or the return of capital or income. Your investment in the Trust is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested.

PIML has appointed National Australia Bank Limited (NAB), ABN 12 004 044 937, as the Custodian of the assets of the Trust.

About Perennial Value

Perennial Value is a specialist, active investment management firm. Formed in 2000 and led by well-known value investor John Murray, Perennial's sole focus is to deliver excellence in funds management through equity ownership and the alignment of interests between key investment management staff and its clients.

Perennial Value holds the belief that investment markets are not fully efficient as asset prices are sometimes driven by irrational influences. Perennial aims to buy stocks in good businesses that are undervalued, with an underlying belief that good businesses are eventually recognised by markets and re-rated to overall market multiples.

Perennial Value is a related body corporate of PIML. An investment in the Trust does not represent an investment in, deposit or other liability of PIML or Perennial.

! You should read the important information about the responsible entity, investment manager and the custodian before making a decision. Go to section 1 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf**. The material relating to the responsible entity, investment manager and custodian may change between the time when you read this Statement and the day when you acquire the product.

2. How the Trust Works

The Trust is a registered managed investment scheme. When you invest in the Trust, your money will be pooled with that of other investors. So that you know what your share of the managed investment scheme is worth, the total value of the assets in the scheme is divided into 'units'. Each unit that a unitholder holds in the Trust gives a unitholder a beneficial interest in the Trust as a whole, but not in any particular asset of the Trust. Holding units in the Trust does not give a unitholder the right to participate in the management or operation of the Trust. Each unit in the Trust is of equal value and identical rights are attached to all units.

We will quote you a price for each unit and will keep a record of the number of units you have bought. The unit price is usually calculated each business day. The unit price will change in response to rises and falls in the market value of assets in the Trust.

You can increase your investment at any time by buying more units in the Trust. Generally, you can decrease your investment by selling, transferring or withdrawing some of your units, although in certain circumstances (such as a freeze or suspension on withdrawals or the Trust becoming illiquid) you may not be able to reduce your investment within the usual period upon request.

When you make an investment in the Trust, your units will be allocated to you based on the entry price for the business day your application is effective. When you withdraw, your units will be redeemed based on the exit price for the business day on which your withdrawal request is effective.

The entry price is calculated by taking the net asset value of the Trust and adding to it an amount which reflects the estimated cost of acquiring the Trust's assets (subject to PIML's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in the Trust.

The exit price of the Trust is calculated by taking the net asset value of the Trust and subtracting from it an amount which reflects the estimated cost of selling the Trust's assets (subject to PIML's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in the Trust.

Current unit prices for the Trust are available on the Perennial website **www.perennial.net.au** or by contacting a Client Services Representative on 1300 730 032 (or +612 8823 2534 New Zealand) or by emailing **perennial@unitregistry.com.au.**

The constitution of the Trust allows PIML to exercise discretions (for example, determining transaction costs and rounding) which may affect unit pricing. The unit pricing discretions policy sets out, among other things, the principles that PIML adheres to when exercising these discretions. This policy is available upon request.

Applications and withdrawals

	Amount $
Minimal initial investment	25,000
Minimum additional investment amount	5,000[1]
Minimum switch amount	5,000
Minimum withdrawal amount	5,000
Minimum investment balance	25,000

[1] Or $200 for investments via a regular direct debit option.

Your initial investment and additional investments may be made by either electronic funds transfer, cheque or BPAY®[1]. The Biller Code of the Trust is **266312**. Additional investments for established regular savings plans may also be made via a direct debit option.

[1] BPAY® is a registered trademark of BPAY Pty Ltd ABN 69 079 137 518

Confirmation of your withdrawal will be sent to you usually within seven business days after your withdrawal request is finalised.

Where a valid application for an initial investment or additional investment, withdrawal or switch request is received before 2.00pm via EFT or cheque on a Melbourne business day, we will generally process the request using the unit price applying to the close of business that day. Where the request is made via BPAY before 2.00pm on a Melbourne business day, we will generally process the request using the unit price applying to the close of the following business day.

PIML may, at its discretion accept amounts less than the minimum initial investment amount.

Restrictions on withdrawals

We will not satisfy a withdrawal request (including switches) if the Trust becomes illiquid (as defined under the Corporations Act 2001 (Corporations Act)). In certain circumstances we may suspend withdrawals. In some circumstances we may compulsorily redeem your units, for example where the law prohibits you from being an investor in the Trust.

Distributions

Investing in the Trust means that you may receive regular income (depending on the nature of the underlying investments this may include interest, dividends and realised capital gains) from your investments in the Trust in the form of distributions. However, there may be times when distributions cannot be made, or are lower than expected. Investing in the Trust means that you have the opportunity to have any distributions reinvested without incurring transaction costs.

The net distributable income of the Trust is allocated to unitholders on a per-unit basis according to the number of units held in the Trust at the end of the distribution period. Distributions are calculated annually and is generally sent to unitholders within one month of the last day of the distribution period. However, the constitution of the Trust provides for distributions to be paid within a period of two months of the last day of the distribution period (unless an audit is required, in which case income distributions may be made as soon as possible after completion of the audit).

You can nominate your preferred distribution method in the Investment Details section of the Perennial Trusts application form. If you do not nominate your preferred distribution method, this will be taken to be a direction to reinvest distributions as additional units in the Trust.

You will be sent a statement detailing your distributions.

You should read the important information about how the Trust works before making a decision. Go to pages section 2 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf**. The material relating to how the Trust works may change between the time when you read this Statement and the day when you acquire the product.

Indirect investors

Investors and prospective investors may access the Trust indirectly. This PDS has been authorised for use by operators through an Investor Directed Portfolio Service (IDPS) or master trust. Such indirect investors do not acquire the rights of a unitholder of the Trust. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive distributions or reports directly from PIML, do not have the right to attend meetings of unitholders and do not have cooling off rights. Indirect investors should not complete the Perennial Trusts application form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should be made directly to the IDPS operator or the trustee of the master trust.

3. Benefits of investing in the Trust

The Trust is an actively managed portfolio of Australian small and microcap listed and unlisted companies that Perennial Value believes have sustainable operations and whose share price offers good value.

The significant benefits of investing in the Trust include:

Access to investment opportunities

Investing in the Trust means that your money is pooled with that of other investors. This provides the Trust with the investment buying power not often available to you as an individual investor with smaller amounts to invest. This means you can gain access to investment markets and risk management techniques that would not normally be accessible to individual retail investors.

Professional management

Perennial Value's investment professionals manage the Trust using a disciplined investment approach aimed at delivering returns in excess of the relevant benchmark.

Right to distributions (if any)

Investing in the Trust means you may receive regular income from your investments in the Trust in the form of income distributions. However, there may be times when distributions cannot be made, are lower than expected or are delayed.

Easy access to your information

For the latest available information on the Trust, you can visit **www.perennial.net.au**, log on to Perennial Online, contact a Client Services Representative on 1300 730 032 (+612 8823 2534 New Zealand), email **perennial@unitregistry.com.au** or speak to your financial adviser.

You should read the important information about how we keep you informed before making a decision. Go to section 3 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf**. The material relating to how we keep you informed may change between the time when you read this Statement and the day when you acquire the product.

4. Risks of managed investment schemes

All investments carry risk. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies may carry different levels of risk depending on the portfolio of assets that make up the scheme. Those assets with potentially higher long term returns may also have a higher risk of losing money in the shorter term.

Risks of investing in the Trust

The significant risks, in no particular order, that may affect the value of your investment and the distributions paid by the Trust include:

Market risk

Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. Perennial's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.

Concentration risk

When investments are concentrated in a smaller number of securities than the broader market index, the unit price of the Trust may be more volatile than the return of the benchmark. The Trust has both security and sector limits relative to the market index which aim to manage this risk by ensuring satisfactory diversification.

Company or security-specific risk

A number of factors can adversely affect the value of a specific security in which the Trust invests and therefore impact the Trust. Perennial's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.

Liquidity risk

If a security cannot be sold quickly enough to minimise a potential loss or to satisfy withdrawal requests, the Trust's performance may be impacted or it may experience difficulty satisfying its commitments including withdrawals. The risk management guidelines adopted by Perennial are designed to minimise liquidity risk through applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.

Derivative risk

Perennial generally uses derivatives to control the various risks associated with investing by modifying the exposure to particular assets, asset classes or currencies. Most commonly, derivatives are used for hedging and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements over time. Derivatives are also frequently used by the investment managers as an alternative to investing in physical assets because of their cost and liquidity efficiency. Gains or losses can result from investments in derivatives.

In addition to any risk associated with the underlying asset (or index) for which a derivative is valued, derivative prices are affected by other factors including: market liquidity; interest rates; and counterparty risk. Perennial seeks to mitigate the risks through a range of risk management strategies including the use of limits on positions.

Investment manager risk

Is the risk that the Trust's investment objective will not be achieved and/or it may underperform to the benchmark or may underperform against other investment managers in the same asset class. The risk is reduced by the active management of the Trust's assets by PIML monitoring Perennial Value.

Responsible entity risk

Is the risk that PIML does not properly discharge its duties in the management of the Trust. We aim to keep responsible entity risk to a minimum by monitoring the Trust, acting in your best interests and ensuring compliance with legislative requirements.

Other risks

Managed investment schemes are also subject to operational risk in that circumstances beyond our control may prevent us from managing the Trust in accordance with its investment strategy. These circumstances may include strikes or industrial disputes, fires, war, civil disturbances, terrorist acts, state emergencies and epidemics.

Risk can be managed but it cannot be completely eliminated. It is important to understand that:

- the value of your investment will go up and down;
- investment returns will vary and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- laws affecting your investment in a managed investment scheme may change over time.

The appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your risk tolerance.

5. How we invest your money

WARNING: When it comes to choosing to invest in the Trust, you should consider: the likely investment return, the risk, and your investment timeframe.

Investment return objective	The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of Australian companies, that are either listed or unlisted companies found outside the S&P/ASX Top 100 Index, and to provide a total return (after fees[1]) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three-year basis.
Minimum suggested investment timeframe	Five years
Suitable investor profile	The Trust may be suitable for investors with an investment horizon of five years or more, who are seeking exposure to a portfolio of companies listed (or soon to be listed) on the ASX and unlisted companies, who could be considered small or microcap stocks.
Asset classes and asset allocation ranges	**Asset Class** / **Allocation** Australian Listed Shares: 60-100% Australian Unlisted Shares: 0-20% Cash: 0-20%
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Description of Trust	The Trust invests in a range of listed and unlisted companies predominantly comprised of small and microcap stocks which Perennial Value believes have sustainable operations and robust business models or plans. The cornerstone of this approach is a strong emphasis on company research. The aim is to develop a detailed understanding of each company before committing investors' funds. The portfolio will hold in the range of 50 to 70 stocks. Typically, the portfolio holds, on average, approximately 60 stocks. The Trust is authorised to invest up to 20% in unlisted stocks and hold up to 20% in cash. The Trust is authorised to utilise derivative instruments for risk management purposes, subject to the specific restriction that they cannot be used to gear portfolio exposure. For reasons of investment efficiency, the Trust may gain its exposure by holding units in other Perennial Trusts and/or through direct investment holdings.
Risk level	High risk of short-term capital loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested timeframe.
Trust performance	For up to date performance, unit prices and commentaries, please visit **www.perennial.net.au**.
Distribution frequency	Annual
Labour standards, environmental, social, and ethical considerations	Perennial Value takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising investments. As a signatory to the United Nations-backed Principles for Responsible Investment, Perennial Value has incorporated environmental, social and corporate governance (ESG) principles into its investment processes. Perennial Value believes that a holistic view of investments including consideration of ESG factors will promote a well-rounded approach to investing with better return outcomes for clients. For further information, please visit the ESG section of Perennial's website **www.perennial.net.au**.
Changes to Trust Details	We have the right to close or terminate the Trust and make changes to the Trust including the investment return objective, the benchmark, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. If there is a material change, we will update this PDS and inform investors of the material change as required by law.
Switches	You may switch from the Trust to another Perennial Trust at any time. A switch operates as a withdrawal of units in one Trust and the investment of units in another and therefore may have taxation implications. Please contact a licensed financial or taxation adviser for further information. There is no switching fee applicable as at the date of this PDS. However, a buy/sell spread or a contribution fee may apply to the relevant Trust(s) at the time of the switch. Before making a decision to switch, you should read the relevant section of the PDS.

1. Excluding performance based fees. See page 6 for information on the performance fee for this Trust.

6. Fees and costs

Did you know?	Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. **You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Trust or your financial adviser.**
To find out more	If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au)** has a managed investment fee calculator to help you check out different fee options.

You can use the ASIC calculator to calculate the effect of fees and costs on your account balances.

This section provides summary information about the main fees and costs that you may be charged for investing in the Trust. The fees and costs charged may be deducted from your account, from the returns on your investment or from the Trust assets as a whole. You should read all of the information about fees and costs because it is important to understand their impact on your investment. The information in the template can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account or deducted from your investment returns.

For information on tax, please see section 7 of this PDS.

Types of fee or cost	Amount
Fees when your money moves in or out of the Trust	
Establishment	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
Management costs	
The fees and costs for managing your investment	At the date of this PDS, management costs consist of the following components: Investment Management Fee: 1.20% p.a.[1,2] Indirect costs: Nil[3] Performance fee: 15% of the Trust's net return in excess of the benchmark return.[4,5]

1.This fee includes the investment management fee and expense recoveries (excluding any unusual or non-recurrent expenses). This amount is deducted from the Trust's assets.
2.This fee may be negotiable with wholesale clients.
3.Indirect costs are calculated with reference to the relevant costs incurred during the financial year ending 30 June 2020 and are based on no unusual or non-recurrent expenses being incurred.
4.The Trust's net return is the return of the Trust after the investment management fee has been deducted.
5.Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

The fees are inclusive of the Goods and Services Tax (GST) and take into account any expected Reduced Input Tax Credits (RITCs). Where fees have been quoted to two decimal places, the actual fee may have been rounded up.

Additional Information on fees and costs

Investment management fee

The investment management fee of 1.20% p.a. of the net asset value of the Trust is payable to PIML for overseeing the management and administration of the Trust. Out of this fee PIML pays a portion to Perennial Value for managing the assets of the Trust. The investment management fee is accrued daily and is paid from the Trust monthly in arrears.

Indirect costs

Indirect costs are the costs incurred in managing the Trust's assets which directly or indirectly reduce the return on the Trust. We are entitled to recover expenses incurred in the proper performance of our duties in respect of the Trust. These normal expenses (such as custody charges, administration and accounting costs, registry fees, audit fees and tax fees) are paid out of the investment management fee, at no additional charge to you. However, if unusual or non recurrent expenses are incurred, such as the expenses incurred in holding a unitholder meeting, we reserve the right to deduct these expenses from the Trust's assets. The amount included in the table of fees and costs is calculated with reference to the relevant costs incurred during the financial year ending 30 June 2020 and is based on no unusual or non-recurrent expenses being incurred. However, indirect costs for the current financial year and for future years may differ. These indirect costs reduce the return on your investment. Indirect costs do not include transaction costs (see 'Transactional and Operational Costs' section). Updated information on indirect costs will be available from **www.perennial.net.au/feesandcosts.**

Performance fees

Under the Trust constitution, the responsible entity is entitled to receive a performance fee from the Trust. A performance fee of 15% of the Trust's net return in excess of the benchmark return will be calculated and accrued daily as follows:

Performance fee = (Trust's net return – Benchmark return) x Net Trust Value for the previous day x 15%. The daily performance fee is the amount that the Trust has outperformed (or underperformed) the benchmark return multiplied by the Net Trust Value for the previous day, with this amount then multiplied by 15%. This daily performance fee amount is added to or subtracted from (if the Trust has underperformed) the aggregate performance fee amount accrued up until the previous day. If the aggregate performance fee amount up to that day is positive, both positive and negative performance fee amounts will be reflected in the unit price. If the aggregate performance fee up to that day is negative, no performance fee amount will be reflected in the unit price. Any negative performance fee amount will be brought forward to be offset against any positive performance fee in the future. The performance fee at the end of each calendar month is the sum of the daily performance fees accrued during the month plus any amounts carried over from previous months if the performance fee was not paid at the end of the previous calendar month. Once the performance fee is paid to the responsible entity, the aggregate performance fee is set to zero. While the performance fee is calculated and accrued on a daily basis, the responsible entity will only be paid the performance fee at the end of each calendar month if there is a positive aggregate performance fee balance at the end of that month, and the following conditions are satisfied:

- The Trust's net return for that month is positive.
- The Trust has outperformed the benchmark over that month.
- Any previous underperformance versus the benchmark is first recovered.

Based on the current calculation methodology for the performance fee, PIML has estimated that the typical ongoing performance fee payable per annum may be $1,125 assuming an average account balance of $50,000 during the year. Prior periods have been taken into account in calculating this estimate. However, this is not a forecast as the actual performance fee for the current and future financial years may differ. PIML cannot guarantee that performance fees will remain at their previous level or that the performance of the Trust will outperform the benchmark. It is not possible to estimate the actual performance fee payable in any given period as we cannot forecast what the performance of the Trust will be, but it will be reflected in the management costs for the Trust for the relevant year.

Transactional and Operational Costs

In managing the assets of the Trust, transaction costs such as brokerage, settlement, clearing, stamp duty, and the difference between the actual price paid or received for acquiring or disposing of an asset and its actual value at that time may be incurred by the Trust. These costs are generally incurred as a result of applications or redemptions from the Trust or when the Trust sells or buys assets as part of its day to day trading activities.

Buy/sell spread

Transactional costs which arise as a result of applications and redemptions will be recovered from the applicants and redeeming unitholders in the form of a 'buy spread' and a 'sell spread'. The buy/sell spreads are an additional cost to you when transacting but, as they are included in the unit price of the Trust, they are not charged to you separately. The buy/sell spread is the difference between the entry price and the exit price of the units in the Trust. Buy/sell spreads are not retained by us but rather paid to the Trust to ensure that other unit holders are not disadvantaged by the trading activity arising from applications or redemptions. As at the date of this PDS, the estimated buy/sell spread added on buying or deducted on selling is 0.30%. The following example is based on an application or redemption of $25,000 in or from the Trust.

	Buy/Sell spread	Cost
Application	0.30%	$75
Redemption	0.30%	$75

From time to time, we may vary the buy/sell spread and we will not ordinarily provide prior notice. Any revised spread will be applied uniformly to transacting investors while that spread applies. Updated information on the buy/sell spread will be available from **www.perennial.net.au/feesandcosts**.

Other transactional costs

Transaction costs which arise from trading activity to execute the Trust's investment strategy and are not the result of applications into and redemptions from the Trust are not covered by the buy/ sell spread. They are instead paid out of the Trust's assets. These costs are an additional cost to you and are reflected in the Trust's unit price and are not paid to us. The total transaction costs for the Trust for the financial year ending 30 June 2020 were 0.33% of the net asset value of the Trust for the year, of which approximately 0.15% was recouped via the buy/sell spread when applications and redemptions took place. The difference of 0.17% reflected the day-to-day trading costs and was factored into the net investment return of the Trust. These costs may vary in future. If an investor had a balance of $100,000 through the year, their investment would be impacted by $170 for the year. No operational expenses will be charged to the Trust.

Adviser Fees

You may pay additional fees to a financial adviser if you consult a financial adviser. You should refer to your Statement of Advice for any fee details. PIML does not pay fees to financial advisers or retail investors.

Can the fees change?

We have the right to increase the fees or to charge fees not currently levied up to the maximum limits set out in the constitution without your consent. If we choose to exercise this right, we will provide you with 30 days prior written notice.

Example of annual fees and costs for the Trust

The table below gives an example of how the fees and costs for the Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example

Perennial Value Microcap Opportunities Trust		Balance of $50,000 with total contributions of $5,000 during the year.
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0.
PLUS management costs comprising of:	3.22% p.a. of net assets	AND for every $50,000 you have in the Trust you will be charged $1,610.00 each year[1].
Investment management fees	1.20% p.a.	
Indirect costs	0% p.a.	
Performance fee	2.02% p.a.	
EQUALS cost of Trust		If you had an investment of $50,000 at the beginning of the year and you invested an additional $5,000 during the year, you will be charged a fee of **$1,610.00**[2]. **What it costs you will depend on the fees you negotiate with your Trust (being PIML) or your financial adviser.**

1. Additional fees may apply. Please note this example does not capture all the fees and costs that may apply to you, such as the buy/sell spread. The example is based on the actual fees and costs charged in the previous financial year. See above (under the heading 'Performance fees') for our estimated typical ongoing performance fees per annum. The actual indirect costs and performance fees for current and future financial years may differ.

2. The example assumes management costs are calculated on a balance of $50,000 with the $5,000 contribution occurring at the end of the first year Therefore, management costs are calculated using the $50,000 balance only.

! You should read the important information about fees and costs before making a decision. Go to section 4 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf**. The material relating to fees and costs may change between the time when you read this Statement and the day when you acquire the product.

7. How managed investment schemes are taxed

WARNING: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

The following is a brief summary of taxation information relating to Australian tax residents who hold their Trust units on capital account for income tax purposes:

- Registered managed investment schemes do not pay the tax liability on behalf of Australian resident investors.
- As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Trust.

! You should read the important information about taxation before making a decision. Go to section 5 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf.** The material relating to taxation may change between the time when you read this Statement and the day when you acquire the product.

8. How to apply

A	Read the current PDS together with the Perennial Trusts Additional Information Booklet available from **www.perennial.net.au** or by calling our Client Services team.
B	Eligible direct investors can invest **online** or alternatively should complete all sections of the Perennial Trusts application form available from **www.perennial.net.au.** We need to collect this information to comply with Anti-Money Laundering and Counter-Terrorism Financing Legislation.
C	Read and sign the declaration in the Perennial Trusts application form.
D	Send your Perennial Trusts application form together with your supporting documents and cheque or electronic payment for your initial investment to us (by email to **perennial@unitregistry.com.au** or by post to the postal address on page 1 of this PDS). We recommend that you keep copies for future reference. For an initial investment via BPAY please tick the appropriate box on page 5 of the application form. For an initial investment via electronic funds transfer please refer to page 2 of the application form.

We reserve the right not to accept (wholly or in part) any application for any reason or without reason. If we refuse to accept an application, any funds received from you will be returned to you without interest.

Cooling off

If you are a retail client (as defined in the Corporations Act) investing directly in the Trust, you have a 14 day cooling-off period to confirm that the investment meets your needs. If you exercise your cooling off rights, we will return your money to you and no fees will apply. However, the amount you receive will reflect any movement (either up or down) in the unit price of the Trust and takes into account the buy/sell spread, which means that there may be tax implications for you. The 14 day cooling-off period commences on the earlier of the end of the fifth day after we issue the units to you or from the date you receive confirmation of your transaction.

A cooling off period does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined under the Corporations Act), or where units have been issued as a result of an additional investment, switch or distribution reinvestment plan.

Complaints

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact our Client Services team or write to:

Perennial Client Services
Level 27, 88 Phillip Street
Sydney NSW 2000

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australia Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA by emailing **info@afca.org.au**, by calling 1800 931 478 (free call) or by writing to AFCA at GPO Box 3, Melbourne VIC 3001.

The dispute resolution process described in this PDS is only available in Australia and is not available in New Zealand.

9. Other important information

Privacy

We collect personal information from you in order to process your application, administer your investment and to provide you with information about your investment. We may disclose that information to other companies that provide services on our behalf.

Foreign Account Tax Compliance Act (FATCA)

There are certain consequences that may occur if you apply to invest and you are, or become, a US entity, a US citizen, reside in the US or have some connection with the US. These consequences may potentially be adverse to you. If this applies to you, we encourage you to seek professional taxation advice.

Important Information for New Zealand Investors

This offer made to New Zealand (NZ) investors is a regulated offer made under Australian and NZ law and is principally governed by Australian rather than NZ law. There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements that apply to Australian securities may differ to those available for investments in NZ securities.

! You should read the important information about privacy and investment by New Zealand investors before making a decision. Go to sections 6 and 7 of the Perennial Trusts Additional Information Booklet located at **www.perennial.net.au/AdditionalInformationBooklet.pdf**. The material relating to privacy and investment by New Zealand investors may change between the time when you read this Statement and the day when you acquire the product.