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# Perpetual Private Income Funds

## Product Disclosure Statement

**PRODUCT DISCLOSURE STATEMENT  
ISSUE NUMBER 9 DATED 12 MAY 2025**

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

Perpetual 

## Important notes

In this Product Disclosure Statement (PDS), 'Perpetual Private Income Funds' or 'Funds' means Perpetual High Grade Floating Rate Fund, Perpetual Credit Income Fund and Perpetual Exact Market Return Fund collectively and 'Fund' means one of the Funds in the relevant context. Each Fund is a managed investment scheme that is registered with the Australian Securities and Investments Commission (ASIC) – refer to 'Fund profiles' for details.

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

- the responsible entity of the Funds
- the issuer of units in the Funds and this PDS
- 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.

'Perpetual Private' refers to the Perpetual Group subsidiaries that act as a trustee, custodian, executor or attorney, or the operator of an investor directed portfolio service (IDPS), as applicable.

We authorise the use of this PDS as disclosure for:

- trusts, estates and agencies for which Perpetual Private is a trustee, executor or attorney
- investors who wish to access the Funds through an IDPS, IDPS-like scheme, or a nominee or custody service provided by Perpetual Private
- DIY superannuation funds for which Perpetual Private is the trustee, administrator or custodian,

which are collectively referred to in this PDS as a 'Service'.

Investment in the Funds through this PDS is offered exclusively to clients of Perpetual Private investing through a Service (referred to as 'you' or 'your' in this PDS).

As an indirect investor gaining exposure to the Funds through a Service, you do not yourself become an investor in the Funds. Instead, it is the Service Operator, which invests for you and acts on your behalf, that has the rights of an investor. Certain provisions of the Funds' constitutions are not relevant to indirect investors. For example, indirect investors cannot attend investor meetings or transfer or mortgage units in a Fund. You can request reports on your investment in a Fund from the Service Operator and you should direct any inquiries to them.

This PDS describes the important features of the Funds. You should read it carefully before you decide to invest as it will help you to decide whether the Funds are appropriate for you. It contains general information only and doesn't take into account your objectives, financial situation or needs. This PDS may also help when comparing the Funds to others you may be considering.

We recommend that you consider the appropriateness of this information having regard to your objectives, financial situation and needs and seek financial advice before making an investment decision. If you have questions about investing in the Funds, you should speak to your financial adviser. You should consider the tax implications of investing in the Funds, which your financial and/or tax adviser will be able to help you with.

Certain information in this PDS may change from time to time. Where this information is not materially adverse, the updated information will be made available on our website [www.perpetual.com.au](http://www.perpetual.com.au). A paper copy of any updated information will be given to you without charge upon request. If a change is considered materially adverse, we'll replace this PDS or issue a supplementary PDS. Any replacement and/or supplementary PDS will be available at our website and you can also obtain a paper copy free of charge, on request. If there is an increase in our fees or charges, we'll give Perpetual Private at least 30-days' prior written notice.

You should keep a copy of the current PDS and any replacement and/or supplementary PDS for future reference. You can access further information that has been made publicly available at our website or by contacting us, including the Target Market Determination (TMD) for the relevant Fund.

Visit our website or contact Perpetual Private for the most up-to-date past investment returns for the Funds. Past investment returns are not indicative of future returns, so you shouldn't base your decision to invest in the Funds on past investment returns.

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.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia.

All amounts in this PDS 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.



# Contents

Important notes	inside front cover
Fund profiles	3
<b>About the Fund profiles</b>	3
Additional investment information	5
<b>About Perpetual Investment Management Limited</b>	5
<b>Fund investments</b>	5
<b>Environmental, social, governance (ESG) and ethical factors</b>	5
<b>Perpetual Exact Market Return Fund - investment structure</b>	6
Understanding investment risk	7
<b>The risks of investing</b>	7
<b>How we manage these risks</b>	8
Fees and other costs	9
<b>Did you know?</b>	9
<b>Fees and costs summary</b>	9
<b>Example of annual fees and costs</b>	10
<b>Cost of product information</b>	11
<b>Additional explanation of fees and costs</b>	11
How the Funds operate	14
<b>Investments</b>	14
<b>Switches</b>	14
<b>Withdrawals</b>	14
<b>How units are issued or withdrawn</b>	14
<b>Distributions</b>	15
Tax	16
<b>Attribution managed investment trust (AMIT) regime</b>	16
<b>Tax position of the Funds</b>	16
<b>Australian resident investors</b>	16
<b>Non-resident investors</b>	16
<b>Tax file number (TFN)/Australian business number (ABN)</b>	16
<b>Goods and services tax (GST)</b>	16
Additional information	17
<b>Multiple unit classes</b>	17
<b>Interest earned on application, withdrawal and distribution accounts</b>	17

<b>Your cooling-off rights</b>	17
<b>How units are priced and investments are valued</b>	17
<b>Reporting</b>	18
<b>Updated information</b>	18
<b>Continuous disclosure documents</b>	18
<b>Your privacy</b>	18
<b>Inquiries and complaints</b>	18
<b>Investments and social security</b>	19
<b>Our role as responsible entity</b>	19
<b>Constitutions</b>	19
<b>Borrowing powers</b>	19
<b>Our legal relationship with you</b>	19
<b>Our liability</b>	19
<b>Perpetual Private's rights as an investor</b>	19
<b>Suspension of applications, switches and withdrawals</b>	19
<b>Incorporation by reference</b>	20
<b>Consent</b>	20
Contact details	inside back cover

# Fund profiles

The following Fund profiles provide a summary of the Funds offered in this PDS.

## About the Fund profiles

The following information explains certain terms and concepts detailed in the Fund profiles.

Term	Explanation		
Marketing fund name	This shows the Fund’s marketing name used throughout this PDS, which may vary from its registered name (see below).		
Registered managed investment scheme	This shows the Fund’s registered name as at the date of this PDS and its Australian registered scheme number (ARSN) issued by ASIC.		
Commencement date	This is the month and year that the Fund received its first investment.		
Risk level	The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.		
	Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
	1	Very low	Less than 0.5
	2	Low	0.5 to less than 1
	3	Low to medium	1 to less than 2
	4	Medium	2 to less than 3
	5	Medium to high	3 to less than 4
	6	High	4 to less than 6
	7	Very high	6 or greater
	The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.		
Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen Fund(s).			
The SRMs for the Funds may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations. Any changes to the SRMs at any time will be available at our website.			
Suggested length of investment	This is a guide only and not a recommendation. You should discuss your investment in the Fund(s) with your financial adviser to ensure that it meets your needs.		
Distribution frequency and dates	The distribution frequency is how often the Fund usually makes a distribution. The distribution dates are the effective dates for distributions. Payment of distributions not reinvested occurs after the distribution date (see ‘Distributions’ in the ‘How the Funds operate’ section for details).		
Objective	The objective is a summary of what the Fund aims to achieve. It is possible that the Fund may not achieve the stated objective.		
Investment approach	This is the method or principles that the investment manager uses, either directly or indirectly, to manage the Fund to meet its objectives.		
Investment guidelines	<p>This provides an indication of what the Fund will invest in directly or indirectly.</p> <p>The Funds invest predominantly in investment grade securities, but may also invest in sub-investment grade securities.</p> <p><b>Investment grade</b> is a term given to securities that have a high probability of payment of interest and repayment of capital.</p> <p><b>Sub-investment grade</b> is a term given to securities where there is a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise.</p>		

## Further information

For more details and any updated information about any of the Funds, visit our website or contact Perpetual Private.

## Fund profiles

Marketing fund name	Perpetual High Grade Floating Rate Fund	Perpetual Credit Income Fund	Perpetual Exact Market Return Fund
Registered managed investment scheme	Perpetual High Grade Floating Rate Fund ARSN 098 496 998	Perpetual Credit Income Fund ARSN 110 148 135	Perpetual Exact Market Return Fund ARSN 110 147 389
Commencement date	March 2011 (for Class R units offered in this PDS)	November 2004	February 2005
Risk level	3 – Low to medium	5 – Medium to high	2 – Low
Suggested length of investment	1 year or longer	3 years or longer	1 year or longer
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with regular income by investing in deposits, money market and fixed income securities<sup>1</sup></li> <li>outperform the Bloomberg AusBond Bank Bill Index on an ongoing basis (before fees and taxes).</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with regular income by investing in a diversified range of income generating assets</li> <li>outperform the Bloomberg AusBond Bank Bill Index over rolling three-year periods before fees and taxes.</li> </ul>	<p>Aims to provide investors with a regular income 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>
Investment approach	<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, Perpetual aims to enhance returns while substantially retaining low-risk characteristics.</p> <p>Perpetual aims to enhance returns by:</p> <ul style="list-style-type: none"> <li>considering a range of securities, providing they meet the minimum required credit rating</li> <li>selecting securities that offer attractive yields relative to their risk</li> <li>actively managing for changes in market-wide and security-specific credit margins</li> <li>diversifying among different securities issued by various borrowers.</li> </ul> <p>Derivatives may be used in managing the Fund.</p>	<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>The Fund aims to achieve Exact Benchmarking by investing in deposits, money market and fixed income securities<sup>1</sup>. 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>
Investment guidelines	Invest predominantly in investment grade securities. <sup>2</sup>	Invest predominantly in investment grade securities. <sup>2</sup>	Invest predominantly in investment grade securities. <sup>2</sup>

1 See 'Fund investments' in the 'Additional investment information' section for further information.

2 Investment grade is a term given to securities that have a high probability of payment of interest and repayment of principal.

# Additional investment information

## About Perpetual Investment Management Limited

PIML is part of the Perpetual Group.

Our asset management business offers an extensive range of specialist investment capabilities designed to meet the evolving needs of our clients, managed by world-class teams of investment professionals.

## Fund investments

The Funds predominantly invest in cash (including deposits and money market instruments) and fixed income securities, but may have exposure to other securities including 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 similar investment objectives and 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 generally provides a rate of return in line with short-term interest rates.

### 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.

## Use of derivatives

A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, swaps and forward foreign exchange contracts.

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.

The use of derivatives is consistent with each Fund's investment guidelines and objectives.

Investing in derivatives can expose a Fund to additional risks. Please refer to 'Derivatives risk' within the 'Significant risks' table in the 'Understanding investment risk' section for more information.

## Environmental, social, governance (ESG) and ethical factors

Perpetual believes that the relevance of ESG issues to the performance of our investment products has become more apparent over time. We recognise the growing expectation that companies conduct themselves responsibly and sustainably.

Perpetual has a long-standing commitment to responsible investing and in 2009 became a signatory to the United Nations supported Principles for Responsible Investment (PRI).

Perpetual's investment philosophy acknowledges that while traditional financial measures are an important consideration, ESG matters can also influence investment performance. Perpetual does not have a predetermined view as to what it regards as ESG factors (including labour standards) or how far they are taken into account. However, we incorporate an assessment of ESG factors (including labour standards) in our investment analysis and the decision to select, retain or sell an investment, where those considerations are determined by the portfolio managers as a factor that may impact the current or future financial performance of the investment.

We have a process to integrate ESG factors into our active investment strategies across fixed income and credit. This process considers:

- what ESG factors the investment is exposed to and whether any of these factors present risks to the investment's current or future financial performance

- what impact ESG factors are likely to have on the investment's prospects
- how well ESG factors are being managed by the issuer, and therefore how likely the possible impacts are to occur.

We use the following tools and processes to integrate ESG:

- Our ESG risk scoring process, which includes internal and external research on an issuer's approach to managing ESG factors and the issuer's revenue sources, allows credit analysts to assess as part of their credit research on each corporate issuer, the ESG risks of that issuer and whether the issuer has any controls or measures in place to address these risks. The credit analyst uses this information to determine an ESG risk score between 1 (low) and 4 (very high). This score is included in each corporate issuer's credit profile. It assists the portfolio manager to evaluate credit risk and relative value pricing considerations in managing credit portfolios.

There are certain asset classes where ESG factors (including labour standards) are not taken into account when deciding whether to select, retain or sell an investment. This may include derivatives, commodities, cash and exchange traded products.

Perpetual does not have a set approach or time frame to monitoring or reviewing adherence to this process of considering ESG factors and where an ESG factor negatively impacts the current or future financial performance of an investment, Perpetual will consider whether to select, retain or sell it on a case by case basis.

Our consideration of ESG factors does not include making ethical or moral judgements on particular practices for the purpose of selecting, retaining or selling an investment.

## Perpetual Exact Market Return Fund - investment structure

### Swap agreement

To achieve Exact Benchmarking, the Fund has entered into a total return swap agreement with Perpetual Australia Pty Limited (ABN 86 002 785 720) (PAPL), a wholly owned subsidiary of Perpetual Limited whose principal activity is acting as the counterparty to swap agreements.

Under this swap agreement, PIML swaps with PAPL the return that PIML achieves from investing the Fund's assets for the benchmark return. Therefore, 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, investors 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.

PIML, as the responsible entity of the Fund, may enter into swap agreements with other institutions provided that they have appropriate ratings from a recognised rating

agency and/or appropriate guarantees.

### Swap guarantee

National Australia Bank Limited (NAB) has provided PIML, as the responsible entity of the Fund, with a limited bank guarantee that can be called on by PIML 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 PIML 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 Perpetual Private.

PIML, as the responsible entity of the Fund, may 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. However, as an indirect investor gaining exposure to the Fund through a Service, you do not yourself become an investor in the Fund. Instead, it is Perpetual Private, investing for you, that has the rights (including voting rights) of an investor.

#### Event of force majeure

If an event of force majeure occurs in relation to the Fund, PIML 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 PIML).

#### Termination of the swap agreement

PAPL can terminate the current swap agreement with 60 days' notice to PIML. Exact Benchmarking would cease to apply to the Fund if PIML 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 (in no particular order) that may affect your investment.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy, and assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

Your financial adviser can assist you in determining whether the Funds are suited to your financial needs.

## 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, sanctions, 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	Both prevailing interest rates and 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 certain types of investments can result in a loss if the holder of the investment needs to sell it within a particular timeframe. A shortage of liquidity can also result in delays in the payment of withdrawals.
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.  Losses arising from the realisation of a derivative position may adversely impact a Fund's distributable income.  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 'Use of derivatives' in the 'Additional investment information' section for 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 (eg derivatives contract, 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	Investment professionals employed by investment managers may change, which may affect future investment performance.  Investing in a Fund may have a different tax outcome than investing directly because of the application of tax laws to the Funds 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.

## How we manage these risks

### **Investment 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.

#### **Use of derivatives**

Please refer to 'Use of derivatives' in the 'Additional investment information' section for details about how derivatives may be used for managing risks.

### **Counterparty risk**

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' under 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for further information).

### **Conflicts risk**

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.

# Fees and other 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 account 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 fees. Ask the fund 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)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

## Fees and costs summary

### Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment 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 the information about fees and costs because it is important to understand their impact on your investment.

Any additional fees that you may be charged by Perpetual Private for investing in the Fund via their Service should be set out in their disclosure document.

## Fees and costs summary

Perpetual Private Income Funds		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
<b>Management fees and costs</b> The fees and costs for managing your investment	Management fees and estimated management costs are as follows: Perpetual High Grade Floating Rate Fund 0.226% pa Perpetual Credit Income Fund 0.308% pa Perpetual Exact Market Return Fund – while Exact Benchmarking applies Nil Perpetual Exact Market Return Fund – if Exact Benchmarking ceases to apply <sup>1</sup> 0.226% pa	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 have negotiated the management fees with Perpetual Private. <sup>2</sup> Management costs may be charged directly to a Fund and/or incurred indirectly in underlying funds.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil.	Not applicable.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Estimated transaction costs are as follows: Perpetual High Grade Floating Rate Fund 0.00% Perpetual Credit Income Fund 0.00% Perpetual Exact Market Return Fund Nil <sup>3</sup>	All transactions costs are paid out of the Fund's assets and reflected in its unit price. This amount represents <b>net</b> transaction costs borne by all investors after any buy/sell spread recoveries charged on investor 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)

<b>Establishment fee</b> The fee to open your investment	Nil.	Not applicable.												
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil.	Not applicable.												
<b>Buy/sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	<table> <tr> <th></th><th>Buy spread</th><th>Sell spread</th></tr> <tr> <td>Perpetual High Grade Floating Rate Fund</td><td>0.05%</td><td>0.05%</td></tr> <tr> <td>Perpetual Credit Income Fund</td><td>0.15%</td><td>0.15%</td></tr> <tr> <td>Perpetual Exact Market Return Fund</td><td>0.00%</td><td>0.00%</td></tr> </table>		Buy spread	Sell spread	Perpetual High Grade Floating Rate Fund	0.05%	0.05%	Perpetual Credit Income Fund	0.15%	0.15%	Perpetual Exact Market Return Fund	0.00%	0.00%	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.
	Buy spread	Sell spread												
Perpetual High Grade Floating Rate Fund	0.05%	0.05%												
Perpetual Credit Income Fund	0.15%	0.15%												
Perpetual Exact Market Return Fund	0.00%	0.00%												
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil.	Not applicable.												
<b>Exit fee</b> The fee to close your investment	Nil.	Not applicable.												
<b>Switching fee</b> The fee for changing investment options	Nil.	Not applicable.												

- 1 Other than as a result of an event of force majeure – see 'Cessation of Exact Benchmarking' within 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for further information.
- 2 See 'Differential fees' within 'Additional explanation of fees and costs' in this section for further information.
- 3 Transaction costs do not impact investment returns paid to investors while Exact Benchmarking applies and the Fund's buy/sell spread is nil.

## Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs in Perpetual Credit Income Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Perpetual Credit Income Fund		Balance of \$50,000 <sup>1</sup> with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged <b>\$0</b>
<b>Plus</b> Management fees and costs	0.308%	<b>And</b> , for every \$50,000 you have in the Perpetual Credit Income Fund you will be charged or have deducted from your investment <b>\$155</b> each year
<b>Plus</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>Plus</b> Transaction costs	0.00%	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs
<b>Equals</b> Cost of Perpetual Credit Income Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of <b>\$154</b> . <sup>*</sup> <b>What it costs you will depend on the Fund you choose and the management fees we have negotiated with Perpetual Private.</b>

- 1 We have assumed a constant value of \$50,000 for the whole year.

<sup>\*</sup> Additional fees may apply:

A **buyspread** of 0.15%, equal to \$7.50 on a \$5,000 contribution, will also apply. And, if you leave the managed investment scheme, you will be charged a **sellspread** of 0.15%, equal to \$75 for every \$50,000 you withdraw. See 'Buy/sell spread' in this section for further information.

## Cost of product information

### Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all Funds. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as a buy/sell spread may apply – refer to the 'Fees and costs summary' table for the relevant Fund.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Fund	Cost of product
Perpetual High Grade Floating Rate Fund	\$113
Perpetual Credit Income Fund	\$154
Perpetual Exact Market Return Fund – while Exact Benchmarking applies	\$0
Perpetual Exact Market Return Fund – if Exact Benchmarking ceases to apply <sup>1</sup>	\$113

- 1 Other than as a result of an event of force majeure – see 'Cessation of Exact Benchmarking' within 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for further information.

## Additional explanation of fees and costs

### Ongoing annual fees and costs

#### General

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

- management fees and costs
- transaction costs.

The following 'Estimated ongoing annual fees and costs' table provides estimated ongoing annual fees and costs for the financial year ended 30 June 2024. Except as otherwise stated, estimated costs are calculated based on our reasonable estimates of management costs and

transaction costs using the actual costs incurred for the first 11 months in that financial year and annualising these actual costs for the 12 month period.

Ongoing annual fees and costs may vary in future years. Costs may vary without notice. Updated details will also be available at our website each year.

#### 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' within 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for further information), ongoing annual fees and costs will be charged as set out below.

### Estimated ongoing annual fees and costs

Fund	Management fees and estimated management costs		Estimated transaction costs (% pa) <sup>1</sup>	Estimated total ongoing annual fees and costs (% pa)
	Management fees (% pa)	Estimated management costs (% pa)		
Perpetual High Grade Floating Rate Fund	0.226%	0.000%	0.00%	<b>0.226%</b>
Perpetual Credit Income Fund	0.308%	0.000%	0.00%	<b>0.308%</b>
Perpetual Exact Market Return Fund – while Exact Benchmarking applies	0.000%	0.000%	0.000%	<b>0.000%</b>
Perpetual Exact Market Return Fund – if Exact Benchmarking ceases to apply <sup>2</sup>	0.226%	0.000%	0.000%	<b>0.226%</b>

- 1 Estimated transaction costs represent **net** transaction costs borne by all investors in a Fund after any buy/sell spread recoveries charged on investor transactions, 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.
- 2 Other than as a result of force majeure – see 'Cessation of Exact Benchmarking' within 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for further information.

## Management fees and costs

### 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) and employees of the Perpetual Group investing directly in the Funds. 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:

- operating expenses
- 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' in this section 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 the Funds 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 an 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. With the exception of exchange traded funds and some unlisted securities, 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' in this section.

Net transaction costs after any buy/sell spread recoveries charged on investor transactions, as shown in the 'Fees and costs summary' table in this section, 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 each Fund based on the most recently completed financial year, which forms part of the PDS, is publicly available at our website (see 'Incorporation by reference' in the 'Additional information' section for details) 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 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).

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

## 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 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 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 PDS, as shown in the 'Fees and costs summary' table in this section, may change (increase or decrease) during the life of this PDS, and may vary without notice to investors. The current buy/sell spread for each Fund at any time (as amended), which forms part of the PDS, is publicly available at our website (see 'Incorporation by reference' in the 'Additional information' section for details) 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 a 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' table in this section.

### Maximum fees and charges

Each Fund's constitution allows us to charge maximum fees and costs as outlined below.

Amounts disclosed are inclusive of GST unless stated otherwise.

Fee or cost	Maximum
Contribution fee	5% of the investment amount
Withdrawal fee	5% of the withdrawal amount
Management fee	3% pa of the gross value of the assets of the Funds
Expense recoveries	Unlimited

### 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 Perpetual Private at least 30-days' written notice.

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

### Tax

Tax information, including GST, is set out in the 'Tax' section. Unless otherwise stated, all fees and other costs disclosed in this PDS are inclusive of the net effect of GST.

### Adviser remuneration

#### Financial adviser commissions

No commissions are paid to your financial adviser.

#### Other benefits

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

# How the Funds operate

When you invest in a Fund, your money is pooled with investments from other investors and used to buy assets for the Fund, which we manage on behalf of all investors.

When you invest in a Fund, Perpetual Private on your behalf will be allocated units in the Fund. The value of your investment in the Fund will vary as the Fund's daily unit price changes to reflect increases or decreases in the market value of the Fund's underlying assets.

You can invest in the Funds or withdraw all or part of your investment in a Fund by directing Perpetual Private to lodge an investment application or withdrawal request, as applicable, with us.

You should contact Perpetual Private for details about their requirements for:

- any minimum investment and withdrawal amounts
- processing requirements and timeframes
- distribution payment options
- identification verification procedures.

You should also use any relevant application and other forms provided by Perpetual Private.

## Investments

You can invest in one or more of the Funds by directing Perpetual Private to lodge an investment application with us.

The PDS may be updated or replaced from time to time and you should read the current version before making any investment application in relation to the Funds. You can obtain a copy of the current PDS at our website or by contacting Perpetual Private.

## 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 for the nominated Funds.

The PDS 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 PDS, free of charge, at our website or by contacting Perpetual Private.

Switching of some or all of an investment in a Fund can be arranged by directing Perpetual Private to contact us and provide us with the dollar amount to be switched.

All switches involve a withdrawal of money from one Fund at its exit price and an investment in another Fund at its entry price on the same effective date. Consequently, there may be a cost to investors due to the buy/sell spreads on unit prices (see 'Buy/sell spread' in the 'Fees and other costs' section for further information).

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

## Withdrawals

You can withdraw all or part of your investment in a Fund at any time by directing Perpetual Private to lodge a withdrawal request with us stating the number of units or the amount to be withdrawn.

We will confirm all withdrawals in writing to Perpetual Private.

The proceeds from your withdrawal will typically be available to Perpetual Private within 3–5 business days, but can be up to 14 business days (eg during distribution periods) from when we have accepted the request, given normal operating conditions. The maximum periods allowed under the Funds' constitutions for payment of withdrawals, after we have accepted the request, are:

- 30 days for Perpetual High Grade Floating Rate Fund
- 70 days for Perpetual Credit Income Fund and Perpetual Exact Market Return Fund.

The time it takes to process withdrawal requests made through Perpetual Private may vary from these times due to their processing requirements (refer to Perpetual Private for details).

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 Funds to the date of withdrawal as capital.

We may determine that part of your withdrawal amount represents a share of the distributable/attribution income including realised net capital gains. We will advise Perpetual Private if this happens.

## How units are issued or withdrawn

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

The number of units issued for investment applications is determined by dividing the investment amount by the applicable entry price. The number of units withdrawn for withdrawals is determined by dividing the withdrawal amount by the applicable exit price.

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

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' in the 'Additional information' section for more information).

We can delay processing withdrawal requests or stagger the payment of large amounts from a Fund according to the Fund's constitution if we believe that's in the best interests of investors (see 'Suspension of applications and

withdrawals' in the 'Additional information' section for more information).

Perpetual has the absolute discretion to accept, reject or limit any application and where an application is rejected or limited in any way (including if it is deferred or delayed), Perpetual is not liable for any loss you suffer (including indirect or consequential loss) as a result.

## 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. In some circumstances, a Fund may also distribute a payment out of the capital invested. The components of a distribution will depend on the Fund you invest in and the nature of the Fund's 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 held 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.

The Funds distribute quarterly as at 31 March, 30 June, 30 September and 31 December. Distributions not reinvested are generally paid to Perpetual Private within 14 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. We can also determine to reinvest part or all of your distribution in a Fund.

Any realised net capital gains are generally included in the 30 June distribution. However, we may choose to pay some, or all, of the net capital gains as part of a regular or a special distribution where we believe it is in the best interest of investors, including instances where we believe investors would benefit from having more consistent distribution payments throughout the year.

You still have to pay tax on the distribution even if it is reinvested (if available) or received after the end of the financial year – see 'Distributions' in the 'Tax' section for details.

### **Distribution payment options**

Please refer to Perpetual Private for details of any distribution payment options.

# Tax

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

You should also refer to Perpetual Private for further information about the tax treatment of your investment in the Funds through their Service.

## 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 its PDS).

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' in the 'How the Funds operate' section.

The income of the Funds attributed to you must be included in your income tax return for the year of the entitlement even if any distribution is received or reinvested in the following year – see 'Reporting' in the 'Additional information' section.

Where the distributions made to you in respect of a financial year are less than<sup>1</sup>, 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

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/attributed 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.

### Tax file number (TFN)/Australian business number (ABN)

Providing your TFN isn't compulsory but without it or the appropriate exemption information Perpetual Private has to withhold tax from the income distributed/attributed to you at the highest marginal tax rate (plus Medicare levy) until your TFN or exemption 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.

Please refer to Perpetual Private for more information on the collection of TFNs and ABNs for investors investing in the Funds through their Service.

### 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 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 Floating Rate 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 PDS offers investment in Class R units in Perpetual High Grade Floating Rate Fund. As at the date of this PDS, there is another class of units offered to wholesale investors under another disclosure document.

## 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.

## Your cooling-off rights

No cooling-off rights apply in respect of any investment in the Funds acquired by Perpetual Private on your behalf. For information about any cooling-off rights that may apply to you in respect of the Service that you invest through, please contact Perpetual Private directly or refer to their disclosure document.

## How units are priced and investments are valued

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.

We generally calculate and apply entry and exit prices on each business day.

### Perpetual High Grade Floating Rate Fund

Unit prices for Perpetual High Grade Floating Rate Fund are calculated by:

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

We generally determine the net asset value of the Fund on each business day. The net asset value of the Fund referable to a class is calculated by deducting the value of the Fund's liabilities to the extent referable to the class 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/attribution 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 exit price of units in the underlying fund(s).

### Perpetual Credit Income Fund

Unit prices for Perpetual Credit Income 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 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/attribution 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 exit price of units in the underlying fund(s).

### Perpetual Exact Market Return Fund

Unit prices for Perpetual Exact Market Return 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 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/attributed to investors. Any amounts payable to or receivable by the counterparty under the swap agreement (see 'Swap agreement' within 'Perpetual Exact Market Return Fund' in the 'Additional investment information' section for details) are also included in the net asset value of the Fund.

The fixed income investments of the Fund are valued on a held-to-maturity basis. Other investments are valued at their market value. In all cases, we determine the valuation method according to the Fund's constitution.

## Reporting

All reports will be sent directly to Perpetual Private. They will use this information to provide you with regular reporting and information to help you complete your annual income tax return. Please contact Perpetual Private with any investor inquiries.

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

## 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 provided to Perpetual Private and available at our website. A paper copy of the updated information will be provided free of charge, on request.

## Continuous disclosure documents

The Funds may be subject to certain regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Funds 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:

- 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
- any other material updates.

## Your privacy

We do not collect or hold your personal information in connection with your investment in the Funds. Please contact Perpetual Private for information about their privacy policy.

## Inquiries and complaints

Any inquiries or complaints about the Service through which you are investing should be directed to Perpetual Private. Any inquiries or complaints relating to your investment in the Funds should also be directed to Perpetual Private in the first instance.

### Complaints

If you have a complaint about your investment in the Fund(s), which Perpetual Private is unable to resolve on your behalf, please contact our Unit Registry MUFG Corporate Markets by using the contact details below:

1. Contact one of our Client Services representatives on 1800 022 033 and tell them about your complaint.
2. Email your complaint to [complaints.au@cm.mpms.mufg.com](mailto:complaints.au@cm.mpms.mufg.com).
3. Put your complaint in writing and mail it to:  
Perpetual Investments Unit Registry  
Locked Bag 5038  
Parramatta NSW 2124

The team at MUFG Corporate Markets is available to assist phone enquiries between the hours of 8:00am and 8:00pm, Sydney time, Monday to Friday.

We will endeavour to respond to your complaint fairly and as quickly as we can and by no later than the maximum response timeframe of 30 days. If we have not had a reasonable opportunity to respond to your complaint before the maximum response timeframe ends, we will write to you to let you know.

If, at any time, you are not satisfied with our response to your complaint, any aspect of our complaints handling process or if you have not received a response within the maximum response timeframe, the Australian Financial Complaints Authority (AFCA) might be able to assist you.

### Australian Financial Complaints Authority

We are members of the AFCA external dispute resolution scheme.

AFCA has been established by the Commonwealth Government to provide consumers and small businesses with a free and independent dispute resolution service for complaints about financial firms.

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires. Other limits may also apply.

You can lodge a complaint with AFCA by:

1. using their online portal available at [www.afca.org.au/make-a-complaint](http://www.afca.org.au/make-a-complaint)
2. email addressed to [info@afca.org.au](mailto:info@afca.org.au)
3. calling 1800 931 678 (free call)
4. mail addressed to:  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

## Investments and social security

If you are a personal investor, your investment in the Funds may affect your social security or pension entitlements. The calculations are complex so we recommend that you seek advice from your financial or tax adviser, or use the Financial Information Service provided by Services Australia.

## 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 strategy as well as properly administering it. We may change a Fund's investment strategy whenever we believe it's in the best interests of investors, in accordance with the Fund's constitution.

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 PDS, 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

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 operational 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 legal relationship with you

By investing indirectly through a Service, you don't acquire the rights of an investor in a Fund. Perpetual Private acquires these rights and can exercise or decline to exercise them on your behalf according to the arrangements governing the Service. You also forgo direct voting rights and generally won't receive notice of, or be able to attend, investor meetings.

If you want to make additional investments, withdraw your investment or transfer your investment to another person, you'll have to direct Perpetual Private to do so on your behalf.

By investing indirectly in a Fund through a Service, you won't receive confirmation of transactions, statements or reports directly from us. We'll provide these to Perpetual Private and they'll report to you on your investments in the Service according to the arrangements governing the Service.

## 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.

## Perpetual Private's rights as an investor

Each unit Perpetual Private holds in a Fund confers a proportional beneficial interest in the Fund. However, they'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 an investor's liability to the value of the investor's 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 an investor's 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 or withdrawals for that Fund in accordance with the Fund's constitution (including any switches between relevant Funds). This may include 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, switch or withdrawal requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

## Withdrawal of large investments

We can in certain circumstances delay or stagger the payment of large withdrawal requests. For example, if a withdrawal request represents more than 5% of the number of units on issue in a Fund, we have the right to stagger the withdrawal into five separate withdrawal requests over five successive business days.

## Incorporation by reference

The law allows us to provide certain information to you separately to the PDS, which is taken to be incorporated into the PDS, provided the PDS identifies this additional information and how you can access it.

The following incorporated information forms part of this PDS:

- details of the latest annual transaction costs and the current buy/sell spread for each Fund.

This information is publicly available at [www.perpetual.com.au/privateincomefundsupdates](http://www.perpetual.com.au/privateincomefundsupdates), or can be obtained free of charge by contacting us.

You should also read the incorporated information.

## Consent

NAB has given its written consent to be named in this PDS 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 PDS. NAB has not withdrawn its consent before the issue date of this PDS and has not authorised or caused the issue of this PDS.

## Contact details

For further information, or a copy of any of our product disclosure statements, please contact Perpetual. For any other documents, please contact Perpetual Private.

### **Website**

[www.perpetual.com.au](http://www.perpetual.com.au)

### **Email**

[PerpetualUTqueries@cm.mpms.mufg.com](mailto:PerpetualUTqueries@cm.mpms.mufg.com)

### **Phone**

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### **Postal address**

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Trust is earned.

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