



# **eInvest Cash Booster Fund (Managed Fund) (ECAS) eInvest Core Income Fund (Managed Fund) (ECOR) eInvest Income Maximiser Fund (Managed Fund) (EMAX)**

Product Disclosure Statement (PDS) | Dated: 4 November 2019

ECAS ARSN 631 537 883 | ECOR ARSN 631 537 810 | EMAX ARSN 631 537 703  
Responsible Entity: Perennial Investment Management Limited ABN 13 108 747 637 | AFSL 275101



# IMPORTANT INFORMATION

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## About this PDS

This Product Disclosure Statement (PDS) is dated 4 November 2019.

Perennial Investment Management Limited (**Perennial, PIML, Responsible Entity, we, our or us**) ABN 13 108 747 637 AFS Licence 275101 as responsible entity for:

- elInvest Cash Booster Fund (Managed Fund) (631 537 883)
- elInvest Core Income Fund (Managed Fund) (631 537 810); and
- elInvest Income Maximiser Fund (Managed Fund) (631 537 703) (Collectively the Funds),

is the issuer of this PDS and is responsible for its contents. A copy of this PDS was lodged with both the Australian Securities & Investments Commission (ASIC) and Chi-X Australia Pty Ltd (Chi-X) on 4 November 2019. No responsibility as to the contents of this PDS is taken by ASIC or Chi-X or their respective officers.

This PDS sets out information and is an offer document for units in the Funds. As at the date of lodgement of this PDS, units in the Funds (Units) are not yet admitted to trading status on Chi-X. An application has been made to Chi-X for Units to be quoted under the Chi-X Operating Rules. The information provided in this PDS is general information only. New Zealand investors should refer to section 7.13 Warning Statement for New Zealand Investors.

The Funds are Australian registered managed investment schemes. Units in the respective Funds are offered and issued by us on the terms and conditions described in this PDS. By becoming an investor in a Fund you agree to be bound by this PDS. You should not base your decision to invest in a Fund solely on this information. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of the Fund/s in view of your financial position, investment objectives and needs before making an investment decision.

PIML has appointed Daintree Capital Management Pty Limited ABN 61 619 989 912 AFS Licence 487489 (**Daintree**) to provide investment and other services for the Fund, pursuant to an investment management agreement entered into between PIML and Daintree. Further, ETF Investments Australia Pty Ltd ABN 88 618 802 912 trading as 'elInvest Australia' (**elInvest**) has been appointed by PIML (as its corporate authorised representative) to provide marketing, distribution and client services for the Funds.

An investment in a Fund does not represent an investment in, deposit or other liability of PIML or Daintree.

PIML does not guarantee the performance of the Funds or the return of capital or income. Your investment in a Fund is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested.

PIML and its respective employees, agents and officers do not guarantee the success, repayment of capital, rate of return on income or capital, or investment performance of the Funds. It is your obligation to seek any advice and observe any legal restrictions on investment in any of the Funds which may apply to you.

Information in this PDS is subject to change from time to time. A copy of the latest PDS for the Funds being offered is available on the elInvest website [www.elinvest.com.au](http://www.elinvest.com.au). A paper copy will be provided free of charge on request.

## The offer

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. Units have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulations of such Act).

## PDS updates

Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the elInvest website at [www.elinvest.com.au](http://www.elinvest.com.au). A paper copy of any updated information will be provided free of charge on request. Any new or updated information that is materially adverse to investors will be available to investors via a supplementary or new PDS accessible via the Chi-X Market Announcements Platform.

## Risks

An investment in a Unit is subject to risks, which may include possible delays in repayment and loss of income and capital invested. Neither PIML, elInvest, Daintree or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in any Fund described in this PDS. PIML and its related entities may invest in, lend to or provide other services to the Funds.

This PDS is prepared for general information only and is not financial product advice. It is not intended to be a recommendation by the Responsible Entity, any of the Responsible Entity's associates or any other person to invest in the Funds. In preparing this PDS, the Responsible Entity did not take into account the investment objectives, financial situation or particular needs of any particular person.

Before making an investment decision, investors need to consider whether an investment in a Fund is appropriate to their needs, objectives and circumstances. Investors should consult an independent professional financial adviser and ensure they understand the risks of a Fund before investing.

## Definitions

Certain capitalised terms used in this PDS are defined in the Glossary in section 9. All references to dollar amounts in this PDS are to Australian dollars unless otherwise stated. For further details on PIML's funds, please contact a stockbroker or financial adviser or visit [www.perennial.net.au](http://www.perennial.net.au) or [www.elinvest.com.au](http://www.elinvest.com.au).

# 1. KEY FEATURES

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## 1.1 WHAT IS AN ACTIVE ETF?

Active ETFs can provide you with a convenient way to gain exposure to a wide variety of investments. They can also be used as the building blocks for a well-diversified portfolio.

In the Australian Market ETFs are primarily “passively managed” meaning the investment strategy of the ETF is to track an index, or other benchmark. Some active ETFs, such as the Fund, are “actively managed”, meaning they do not seek to track the performance of a stated benchmark. Whilst an active ETF may also have a benchmark like an ETF, the Investment Manager may change sector allocations, portfolio positions etc. as they see fit. This produces investment returns that may not mirror the underlying benchmark of the Fund.

Information on the Fund is set out in section 2 of this PDS. The Funds may carry certain investment risks. For information on the risks applicable to the Fund see section 6 of this PDS.

## 1.2 EINVEST

eInvest is a provider of active ETF investments. eInvest provides you with easy, tradeable investment solutions for your everyday investment needs by offering high quality portfolios based on the research, skill and intellect of experienced investment professionals.

eInvest is driven by a passion and desire to deliver a positive investment experience to all Australians. eInvest believes that all Australians should have the ability to access high quality investment solutions upon which to build the foundations of their investment, superannuation and retirement income portfolios. eInvest also believes that investors can have the control and flexibility they desire from their investments, at a reasonable price.

PIML has appointed eInvest Australia to provide marketing, distribution and client services for the Funds under a distribution agreement.

## 1.3 SUMMARY OF KEY INFORMATION

The following table briefly summarises some of the key information contained in this PDS. It is not a complete summary of this PDS and you should read the PDS in its entirety. You should seek your own professional investment advice before deciding to invest in a Fund. Sections 1 to 9 of this PDS contain general information concerning the key features of the Funds.

# 1. KEY FEATURES

<b>Fund Names</b>	eInvest Cash Booster Fund (Managed Fund)	eInvest Core Income Fund (Managed Fund)	eInvest Income Maximiser Fund (Managed Fund)
<b>ARSN</b>	631 537 883	631 537 810	631 537 703
<b>Chi-X Code</b>	ECAS	ECOR	EMAX
<b>About the Funds</b>	<p>ECAS is an Australian registered managed investment scheme. An application has been made for Units in each Fund to be admitted to trading status on Chi-X under the Chi-X Operating Rules.</p>	<p>ECOR invests in the Daintree Core Income Fund (ARSN 617 947 690) (Underlying Core Income Fund) and cash. An application has been made for Units in each Fund to be admitted to trading status on Chi-X under the Chi-X Operating Rules.</p> <p>In this PDS we refer to the assets held in ECOR on a 'look through' basis. This means we are referring to the assets in the Underlying Core Income Fund.</p>	<p>EMAX invests in the Daintree High Income Fund (ARSN 625 621 721) (Underlying High Income Fund) and cash. An application has been made for Units in each Fund to be admitted to trading status on Chi-X under the Chi-X Operating Rules.</p> <p>In this PDS we refer to the assets held in EMAX on a 'look through' basis. This means we are referring to the assets in the Underlying High Income Fund.</p>
<b>Responsible Entity</b>	PIML is the responsible entity of the Funds and is the issuer of this PDS.		
<b>Investment Manager</b>	Daintree is the Investment Manager for each Fund.		
<b>Investment objectives &amp; Benchmark</b>	<p>ECAS aims to provide investors with income higher than generally available through cash products.</p> <p>ECAS aims to provide investors a high level of capital stability over the short term, by investing in a diversified portfolio of cash and short term money market and fixed income securities, and to provide a total return (after fees) that exceeds the RBA Cash Rate measured annually.</p>	<p>ECOR aims to provide investors with a higher income than generally available through term deposit and banking products.</p> <p>ECOR aims to provide investors a steady stream of income and capital stability over the medium term, by investing in a diversified portfolio of fixed income securities and cash, and to provide a total return (after fees) that exceeds the RBA Cash Rate measured within a market cycle.</p>	<p>EMAX aims to provide investors with a return in the middle ground between growth assets and cash. It may be suitable for investors looking to diversify away from equity income funds or listed hybrid securities.</p> <p>EMAX aims to provide investors with a monthly income stream over the medium term by investing in a diversified portfolio of credit fixed income securities and cash that exceeds the RBA Cash Rate (after fees) over a market cycle.</p>
<b>Use of derivatives</b>	<p>Derivatives may be used by a Fund for investment and risk management purposes. Derivatives will not be used to gear a Fund. A Fund will not engage in short selling and will not use derivatives to a material extent. We note that whilst a Fund may use various derivative instruments, including futures and options, to manage cash flow and investment risk of the portfolio, it may only do so in the following three scenarios:</p> <ol style="list-style-type: none"> <li>for the dominant purpose of managing foreign exchange or interest rate risk;</li> <li>for the dominant purpose of more efficiently gaining an economic exposure, through the use of derivatives, to the underlying reference assets of those derivatives; or</li> <li>provided the Fund will not use derivatives to obtain exposure to more than 10% of the underlying reference assets of the fund by net asset value, and related cash and cash-like instruments. This includes aggregate exposure of the Fund to all over-the-counter (OTC) derivative counterparties, including assets held by the Fund as collateral under an OTC derivative. If a larger exposure is attributable to circumstances that were not reasonably foreseeable by the Responsible Entity, such as unforeseen market movements or large redemption requests, such exposure will remain in the Fund for a period of no more than three consecutive business days.</li> </ol>		



# 1. KEY FEATURES

	Where over-the-counter (OTC) derivatives account for more than 5% of the NAV of the Fund, the aggregate exposure of the Fund to all OTC derivative counterparties, including assets held by the Fund as collateral under an OTC derivative, is managed so that it does not exceed a maximum of 10% of the NAV of the Fund. Only cash may be held by the Fund as collateral under an OTC derivative. Margining is managed daily. Where a Fund uses derivatives for the dominant purpose of managing foreign exchange or interest rate risk, this does not count towards the 10% net derivatives exposure limit for derivatives in accordance with ASIC Regulatory Guide 240.12.		
<b>Benchmark</b>	The benchmark for the Fund is the RBA Target Cash Rate.	The benchmark for the Fund is the RBA Target Cash Rate.	The benchmark for the Fund is the RBA Target Cash Rate.
<b>Asset Allocation</b>	Cash: 0 – 100% Short term Money Market & Fixed income Securities: 0 – 100%	Cash: 0 – 100% Fixed Income Securities: 0 – 100%	Cash: 0 – 100% Fixed Income Securities: 0 – 100%
<b>Suitable Investor</b>	Investors seeking a very high level of capital security. ECAS may be suitable for investors with an investment horizon of 1+ years	Investors seeking a high level of capital security. ECOR may be suitable for investors with an investment horizon of 3+ years	Investors seeking a moderate level of capital security. EMAX may be suitable for investors with an investment horizon of 3– 5+ years.
<b>Investing in a Fund</b>	Investors can invest in a Fund by buying units on the market through a stock broker or share trading account.  Units will be quoted on Chi-X. Once quoted (and subject to market conditions), investors may buy Units by trading on Chi-X. The purchase of units on the market is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of units.		
<b>Distributions</b>	The distribution period in relation to each Fund is set out in section 3 of this PDS. The Responsible Entity intends to make monthly distributions in respect of the Fund (assuming there is distributable income).		
<b>Risks</b>	Before investing in a Fund, investors should carefully consider the risks associated with an investment in the Fund and obtain independent financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.  For further details of the risks of investing, see section 6 of this PDS.		
<b>Fees and costs</b>	The Responsible Entity charges a management fee of 0.15% pa, inclusive of GST and RITC.  Fees and costs as described in section 5 of this PDS will apply.	The Responsible Entity charges a management fee of 0.45% pa, inclusive of GST and RITC.  Note: There will be no fees payable for investments in the Underlying Core Income Fund.  Fees and costs as described in section 5 of this PDS will apply.	The Responsible Entity charges a management fee of 0.65% pa, inclusive of GST and RITC.  Note: There will be no fees payable for investments in the Underlying High Income Fund.  Fees and costs as described in section 5 of this PDS will apply.
<b>Tax</b>	Tax information of a general nature is set out in section 9. Investors should seek their own professional tax advice which takes into account their particular circumstances.		
<b>Complaints</b>	The Responsible Entity has a process in place to deal with complaints from Holders. The complaints process is set out in section 8.6 of this PDS.		

# 1. KEY FEATURES

## 1.4 ADMISSION TO TRADING UNDER THE CHI-X OPERATING RULES

An application has been made for Units in each Fund to be admitted to trading status on Chi-X under the Chi-X Operating Rules.

The Chi-X Operating Rules provide a tailored framework for the quotation of investment products, including exchange traded funds, managed funds and structured products on Chi-X. The Chi-X Operating Rules are accessible at [www.Chi-X.com.au](http://www.Chi-X.com.au)

In operational terms, the market for investment products quoted under the Chi-X Operating Rules operates in the same way that it does for listed equities on Chi-X, with continuous matching of bids and offers and an opening and closing auction. However the key differences in the rule framework for listed equities and quoted investment products.

### Chi-X Operating Rules: fundamental difference

The key distinction between listed equities quoted on Chi-X pursuant to the ASX Listing Rules and those quoted on Chi-X under the Chi-X Operating Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Typically, listed equity securities reflect the value of the business operated by the issuer. By contrast, the value of a fund product quoted under the Chi-X Operating Rules typically reflects the performance of the underlying assets of the fund. In this way, the Chi-X Operating Rules perform the same function as the ASX AQUA Rules.

The following table highlights the key specific differences between the Chi-X Operating Rules and the typical main board Listing Rules.

Requirement	Typical Main Board Listing Rules	Chi-X Operating Rules
<b>Continuous disclosure</b>	Issuers are typically subject to continuous disclosure requirements under typical main board listing rules and section 674 of the Corporations Act.	<p>Issuers of products quoted under the Chi-X Operating Rules are not subject to continuous disclosure requirements under any listing rules or under section 674 of the Corporations Act.</p> <p>The Responsible Entity will comply with the disclosure requirements in section 675 of the Corporations Act. This means that we will disclose to ASIC information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the units, provided that such information has not already been included in this PDS (as supplemented or amended).</p> <p>PIML will publish such information on the Chi-X announcements platform and the website at the same time as it is disclosed to ASIC.</p> <p>PIML is required to disclose information about the NAV of each Fund daily. The NAV of each Fund will be calculated by Mainstream Fund Services Pty Limited (Mainstream) in accordance with PIML's Unit Pricing Policy. PIML must also disclose information about:</p> <ul style="list-style-type: none"> <li>• net monthly applications and redemptions;</li> <li>• distributions and other disbursements;</li> <li>• any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act; and</li> <li>• any other information that would be required to be disclosed under the Corporations Act.</li> </ul> <p>In addition, under the Chi-X Operating Rules the Responsible Entity must immediately notify Chi-X of any information the non-disclosure of which may lead to the establishment of a false market in the Units or which would be likely to materially affect the price of the Units.</p>
<b>Periodic disclosure</b>	Issuers are typically required to disclose half-yearly and annual financial information and reports to the home exchange's announcements platform.	<p>Issuers of products quoted under the Chi-X Operating Rules are not required to disclose half-yearly or annual financial information or reports to the Chi-X announcements platform.</p> <p>The Responsible Entity is required to lodge financial information and reports in respect of each Fund with ASIC under Chapter 2M of the Corporations Act.</p>

# 1. KEY FEATURES

<p><b>Corporate governance</b></p>	<p>Listed companies and listed managed investment schemes are typically subject to notification requirements under the Corporations Act and the home exchange's listing rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.</p>	<p>Although the Units are intended to be quoted under the Chi-X Operating Rules, neither the relevant Fund nor the Responsible Entity itself are considered listed for the purposes of the Corporations Act and therefore they are not subject to certain corporate governance requirements.</p> <p>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act, and with section 601FM of the Corporations Act including that the Responsible Entity may be removed by an extraordinary resolution of members on which the Responsible Entity would not be entitled to vote.</p>
<p><b>Related party transactions</b></p>	<p>The home exchange's listing rules typically regulate transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.</p>	<p>No corresponding listing rules apply to products quoted under Chi-X Operating Rules.</p> <p>The Responsible Entity will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.</p>
<p><b>Auditor rotation obligations</b></p>	<p>Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.</p>	<p>Issuers of products quoted under the Chi-X Operating Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act.</p> <p>An auditor will be appointed by the Responsible Entity to audit the financial statements and Compliance Plan of each Fund.</p>
<p><b>Net Asset Value</b></p>	<p>Typically main board listing rules do not address disclosure of net asset value as a separate matter, rather disclosure of matters that are relevant to the value of main board quoted securities is typically required on a continuous disclosure basis</p>	<p>A Chi-X quoted managed fund that is an actively managed fund, must immediately disclose its net asset value whenever the product issuer's management activities have caused the net asset value of the fund to move by more than 10% since the last net asset value.</p>

## Spread Requirements

Typically there are requirements under home exchange listing rules that main board issuers satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size). Equivalent requirements do not apply to issuers of fund products quoted under Chi-X Operating Rules. Unless and until a suitable spread of holders is achieved, a fund product issuer must ensure a reasonable bid and volume is maintained for the fund on Chi-X except in permitted circumstances or have in place other arrangements which meet Chi-X's requirements for providing liquidity, generally through the appointment of a market making agent.

## About CHES

The Responsible Entity through its outsourced Unit Registry services provider participates in the Clearing House

Electronic Sub-register System ("CHES"). CHES is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHES on behalf of the Responsible Entity.

The Responsible Entity will not issue Investors with certificates in respect of their Units. Instead, when Investors buy Units on the Chi-X they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the "Holder Identification Number" or "Securityholder Reference Number" allocated by CHES.

Subject to the Chi-X Operating Rules and the ASX Clear and ASX Settlement Operating Rules, PIML as the Responsible Entity may decline to register a purchaser of a Unit or Units.

## 2. ABOUT THE FUNDS

### 2.1 INVESTMENT MANAGER

Daintree is the investment manager for each Fund. Daintree specialises in the management of absolute return income portfolios. Daintree's core investment philosophy is based on a robust credit culture, a pragmatic investment process and a focus on the core reason why fixed interest is a key part of your investment portfolio; namely the preservation of capital and, importantly, protection against downside risk.

PIML and Daintree believe that our clients should achieve good results from their fixed interest portfolio in most market environments. Daintree builds its portfolios with this as the cornerstone of our investment philosophy.

At the heart of Daintree's investment process is a strong risk management framework. Daintree believes that this approach will deliver strong risk adjusted returns over time.

The Funds aim to provide stable income streams to investors.

Daintree offers you:

#### **An experienced investment team, actively managing your defensive portfolio**

The investment team is led by Mark Mitchell and Justin Tyler who are highly experienced fixed income investment professionals. Mark and Justin lead a team of experienced investment professionals actively managing your cash and fixed income portfolios.

#### **Access to diversified absolute return focused, fixed income portfolios**

The Funds will comprise diversified portfolios of cash and fixed income securities, providing investors the prospect of regular income and a low to medium level of capital growth throughout a market cycle. Each Fund can provide you with a holistic, diversified investment for your defensive portfolio.

### 2.2 INVESTMENT OBJECTIVES

Fund Name	eInvest Cash Booster Fund (ECAS)	eInvest Core Income Fund (ECOR)	eInvest Income Maximiser Fund (EMAX)
Investment Objectives	<p>ECAS aims to provide investors with income higher than generally available through cash products.</p> <p>ECAS aims to provide investors a high level of capital stability over the short term, by investing in a diversified portfolio of cash and short term money market and fixed income securities, and to provide a total return (after fees) that exceeds the RBA Cash Rate measured annually.</p>	<p>ECOR aims to provide investors with a higher income than generally available through term deposit and banking products.</p> <p>ECOR aims to provide investors a steady stream of income and capital stability over the medium term, by investing in a diversified portfolio of fixed income securities and cash, and to provide a total return (after fees) that exceeds the RBA Cash Rate measured within a market cycle.</p>	<p>EMAX aims to provide investors with a return in the middle ground between growth assets and cash. It may be suitable for investors looking to diversify away from equity income funds or listed hybrid securities.</p> <p>EMAX aims to provide investors with a monthly income stream over the medium term by investing in a diversified portfolio of credit fixed income securities and cash that exceeds the RBA Cash Rate (after fees) over a market cycle.</p>

### 2.3 INVESTMENT STRATEGY & PHILOSOPHY

Daintree believes that investment markets are not fully efficient as asset prices are sometimes driven by irrational influences. As Daintree's investment process is fundamentally driven, Daintree believes that applying a rational and disciplined framework will enable it to take advantage of situations where market pricing has become misaligned with economic and investment fundamentals. This approach should improve the likelihood of delivering a superior risk adjusted return over time.

Daintree's core investment philosophy is based on a robust credit culture, a pragmatic investment process and a focus on the core reason why fixed interest is a key part of your investment portfolio; namely the preservation of capital and, importantly, protection against downside risk.

PIML and Daintree believe that our investors should achieve good results from Daintree's fixed interest portfolio in most market environments and as such we build our portfolios with this as the cornerstone of our investment philosophy.

At the heart of the investment process is a strong risk management framework. Daintree believes that this approach will deliver strong risk adjusted returns over time.



## 2. ABOUT THE FUNDS

### 2.4 PORTFOLIO CHARACTERISTICS

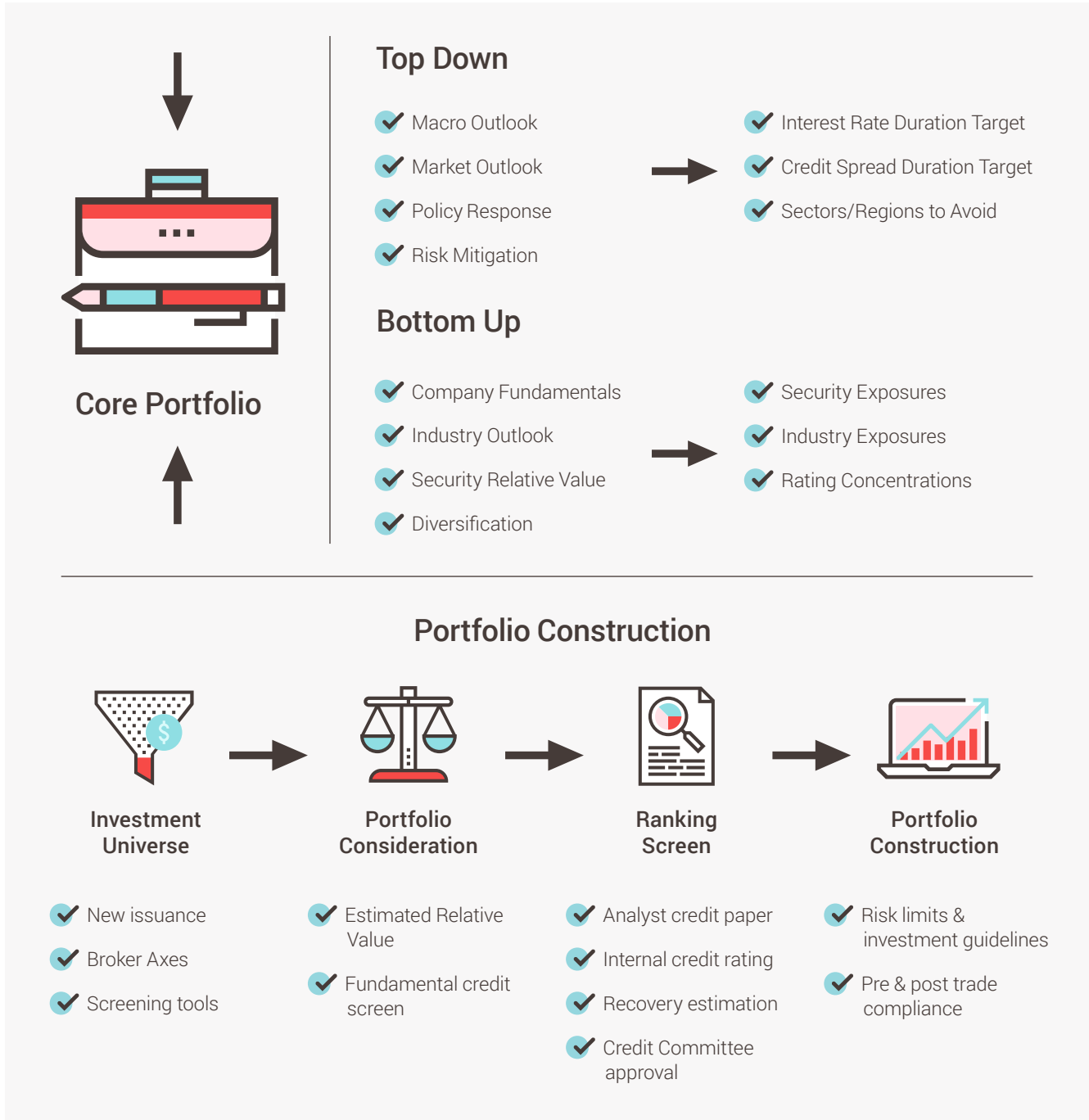
The Funds will offer investors the following characteristics:

Fund Names	eInvest Cash Booster Fund (ECAS)	eInvest Core Income Fund (ECOR)	eInvest Income Maximiser Fund (EMAX)
Distributions	Monthly	Monthly	Monthly
Expected average credit portfolio quality	A-1	A+ /A	BBB/ BBB-
Asset allocation	0 – 100% in cash and short term money market and fixed income securities	0 – 100% in cash and short term money market securities 0% - 100% in Australian & global investment grade credit	0%-100% in Cash & short term money market securities 0% - 100% in Australian & global investment grade credit 0% - 50% in high yield fixed income securities
Gearing	Not allowed		
Foreign Currency & Offshore exposure	Nil	Exposure to global securities including but not limited to AUD, NZD, USD and EUR denominated securities. Most offshore exposure is hedged back in to AUD.	

## 2. ABOUT THE FUND

### 2.5 INVESTMENT PROCESS

The investment process to be employed for the Funds involves research and financial modelling and can be summarised in the diagram below:



#### Environmental, social and governance considerations

Daintree takes a number of environmental, social and governance (ESG) considerations into account when selecting, retaining or realising investments. ESG is a core element of the investment process and is integrated into portfolio construction and risk management processes. Daintree has devised and implemented an ESG policy which guides the investment team when selecting, retaining and realising investments of the Funds.

#### Currency Management

The Funds invest in securities that are denominated in Australia as well as offshore. Therefore, the portfolios are expected to have foreign currency risk. Currency risk is mostly hedged.

## 2. ABOUT THE FUND

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### Derivatives

Derivatives may be used in a Fund for investment and risk management purposes. Derivatives will not be used to gear a Fund. The Funds will not engage in short selling and will not use derivatives to a material extent. We note that whilst a Fund may use various derivative instruments, including futures and options, to manage cash flow and investment risk of the portfolio, it may only do so in the following three scenarios:

- (a) for the dominant purpose of managing foreign exchange or interest rate risk;
- (b) for the dominant purpose of more efficiently gaining an economic exposure, through the use of derivatives, to the underlying reference assets of those derivatives; or
- (c) will not use derivatives to obtain exposure to more than 10% of the underlying reference assets of the fund by net asset value, and related cash and cash-like instruments. This includes aggregate exposure of the Fund to all over-the-counter (OTC) derivative counterparties, including assets held by the Fund as collateral under an OTC derivative. If a larger exposure is attributable to circumstances that were not reasonably foreseeable by the Responsible Entity, such as unforeseen market movements or large redemption requests, such exposure will remain in the Fund for a period of no more than three consecutive business days.

Where over-the-counter (OTC) derivatives account for more than 5% of the NAV of the Fund, the aggregate exposure of the Fund to all OTC derivative counterparties, including assets held by the Fund as collateral under an OTC derivative, is managed so that it does not exceed a maximum of 10% of the NAV of the Fund. Only cash may be held by the Fund as collateral under an OTC derivative.

Where a Fund uses derivatives for the dominant purpose of managing foreign exchange or interest rate risk, this does not count towards the 10% net derivatives exposure limit for exchange-traded derivatives in accordance with ASIC Regulatory Guide 240.12.

### Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate (i.e. the investment objective and strategy as described in sections 2.2 to 2.3) for each Fund as set out in this PDS.

Any significant change to the investment mandate will be notified to investors and potential investors via a supplementary or new PDS accessible through the Chi-X Market Announcements Platform.

### 2.6 PERFORMANCE

Performance information for a Fund, and the Net Asset Value for the Fund, will be published on the eInvest website or on the Chi-X website [www.Chi-X.com.au](http://www.Chi-X.com.au) (codes: ECAS, ECOR, EMAX). Information relating to past performance is not a reliable indicator of future performance. At the date of this PDS, each Fund has no material assets or liabilities and no performance information is available because each Fund is a new fund.

The ECOR and EMAX funds will use a liquidity model that involves the daily disclosure of a pricing basket of assets that track the performance of the fund through the trading day. PIML will disclose the correlation between the pricing basket and the full portfolio of holdings at the same time that the full portfolio is disclosed. See section 3.4 for more details.

## 3. BENEFITS OF INVESTING IN THE FUND

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### **An experienced investment team, actively managing your defensive portfolio**

The Daintree investment team is led by Mark Mitchell and Justin Tyler who are highly experienced fixed income investment professionals. Mark and Justin lead a team of experienced investment professionals actively managing your cash and fixed income portfolios.

### **Access to diversified absolute return focused, fixed income portfolios**

Each Fund will comprise a diversified portfolio of cash and fixed income securities, providing investors the prospect of regular income and a low to medium level of capital growth throughout a market cycle. Each Fund can provide you a holistic, diversified investment for your defensive, cash and fixed income portfolio.

### **3.1 DISTRIBUTIONS**

The Funds intend to pay distributions monthly (if there is distributable income). Distribution amounts may include dividends, realised gains from disposal of securities, or other assessable income derived by the Fund, after allowing for fees and expenses.

Holder's in the Funds at the end of a distribution period are entitled to a pro-rata share of the distributable income (if any) for that period based on the number of Units held in the relevant Fund at the end of the distribution period. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity.

Distributions will generally be paid within 15 business days of the end of the distribution period to which they relate by deposit to a Holder's nominated Australian bank, building society or credit union account.

The amount of the distribution paid by a Fund will vary from period to period, and there may be periods when a Fund will not pay a distribution. The Responsible Entity may, in its discretion, change the duration of a distribution period for a Fund (provided that distribution periods cannot be longer than one year). See section 8 for further information.

Information about the timetable for each distribution and the declared distribution amount will be announced via the Chi-X Market Announcements Platform.

Distributions can only be paid electronically and the Funds will not pay distributions by cheque.

### **3.2 TAX STATEMENT**

The Responsible Entity will, as soon as reasonably practicable after the end of each financial year, issue to each Holder who received an entitlement to the distributable income of a Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income of the Fund to which the Holder became entitled.

### **3.3 DISTRIBUTION REINVESTMENT PLAN**

The Responsible Entity intends to offer a distribution reinvestment plan (DRP). Participation in any DRP will be subject to the terms and conditions of the DRP policy document, which will be available at no charge by contacting eInvest on 1300 088 660 (within Australia) or +61 3 8623 4202 (outside Australia). Any DRP will be available only to Holders who have a registered address in Australia or New Zealand.

Where a DRP is available, eligible Holders can choose to:

- participate in the DRP, meaning all distributions from the relevant Fund will be reinvested in additional Units in that Fund; or
- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

Full or partial reinvestment will be available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank, building society or credit union account. Holders can elect to participate in the DRP by completing an on-line application form available on the Unit Registry's website or by contacting the Unit Registry, Link Market Services.

### **3.4 ASSET DISCLOSURE AND MARKET MAKING**

ECAS discloses every underlying asset on a daily basis. The market maker in this fund use this information to determine the prices at which they buy and sell units on the exchange.

However, neither ECOR nor EMAX will disclose every underlying asset. Such disclosure would create an unacceptable risk to those Funds and their holding investors, by disclosing the ongoing investment strategies of those Funds.

Rather, both ECOR and EMAX will agree with the market maker on a pricing basket that will enable the market maker to determine the price at which its buys and sells units on the Chi-X market. ECOR and EMAX will both disclose the pricing basket on a daily basis. The pricing basket is intended to represent the value of the applicable Fund during the Chi-X trading day and is used to determine the iNAV.

The market maker creates and redeems units in ECOR and EMAX with the Issuer at prices that are determined by the published net asset value (NAV) of the applicable Fund. The NAV is based on the value of every underlying asset in the applicable Fund. This means the market maker has a strong incentive to ensure there is minimal or no difference between the price at which it buys and sells units based on the pricing basket and the price of units created or redeemed based on the net asset value of ECOR or EMAX.

However, there is a risk to transacting investors that unit prices determined by the material portfolio information during the trading day will not accurately represent the value of ECOR or EMAX. This risk could arise due to, for example, market volatility or stale prices in the underlying assets.

## 4. RISKS

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Holders in the Funds face a number of risks. There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the greater the variability of returns.

The market price and Net Asset Value per Unit can fluctuate within a wide range. When considering an investment in the Fund, personal tolerance for fluctuating market values should be taken into account.

The most common risks associated with investing in the Funds are described below, but there could be other risks that affect the performance of the Funds. The discussion of risks below is general in nature and should not be relied upon as personal financial product advice.

PIML and Daintree do not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the Fund could lose money over short or long periods.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in a Fund fits into your overall investment portfolio.

### 4.1 RISKS OF INVESTING IN THE FUND

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

#### **Investment objective risk**

There is a risk that a Fund will not meet its investment objective.

#### **Market risk**

Market risk is the risk that the Net Asset Value of a Fund will fluctuate as a result of fluctuations or changes in the market prices of the securities held by that fund and the financial markets as a whole. Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market.

#### **Chi-X Market risk**

The ability to buy and sell Units on Chi-X could be limited and may impact the liquidity of the Units. No trading will occur during any period where Chi-X suspends trading of the Units.

#### **Concentration risk**

When investments are concentrated in a smaller number of securities, the Unit price may be volatile.

#### **Company or security-specific risk**

A number of factors can adversely affect the value of a specific security in which a Fund invests and therefore impacts the Fund.

#### **Interest rate risk**

Changes in interest rates can influence the value and returns of investments.

#### **Liquidity of investments risk**

If a security cannot be bought or sold quickly enough to reduce or minimise a potential loss, a Fund may experience difficulty satisfying commitments associated with financial instruments.

#### **Chi-X Liquidity risk**

The liquidity of trading in the Units on the Chi-X may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on Chi-X during any period that Chi-X suspends trading of Units in a Fund. Further, where trading in the Units on Chi-X has been suspended for five consecutive Business Days, the availability of a Fund's off-market redemption facility will be subject to the provisions of the Constitution.

#### **Currency and Interest Rate risk**

Fund assets will be predominately in AUD, however they may have exposure to other global currencies, and therefore to changes in interest and exchange rates. Changes in interest rates and exchange rates may impact economic conditions across the market and, thus, may affect stock valuations both positively and negatively. (NB: ECAS is only invested in Australian denominated securities).

#### **Derivative risk**

In limited circumstances, Daintree may use derivatives to control the various risks associated with investing by modifying the exposure to particular assets, asset classes or currencies or to enhance the yield of the portfolio. 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 unanticipated adverse price movements over time. Derivatives may also be used by Daintree as an alternative to investing in physical assets because of their cost and liquidity efficiency. To the extent that derivatives are used, they will be limited to the scenarios set out in the Investment Strategy in section 2.

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.

#### **Investment manager risk**

There is a risk that a Fund's investment objective will not be achieved and/or it may underperform the Benchmark Index or may underperform other investment managers in the same asset class.

#### **Responsible entity risk**

There is a risk that a Fund could terminate, that fees or expenses could change or that the Responsible Entity could be replaced as responsible entity for the Fund. We aim to keep responsible entity risk to a minimum by acting in your best interests and ensuring compliance with legislative requirements.

#### **Market making risk**

Under Chi-X Operating Rules, we have certain market making obligations in respect to the Funds. To facilitate an orderly and liquid market in the Funds we will appoint market maker(s) to provide alternative liquidity. Whilst we monitor our market makers ability to maintain a continuous liquidity to the market, there is no guarantee that these requirements are always met, particularly if there is a failure by a market maker.



## 4. RISKS

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### Other risks

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

### Tax risk

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect. As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units. A general summary of the tax treatment of holding Units is set out in section 8 of this PDS.

### Fund risk

There is a risk that a Fund could terminate, that fees or expenses could change or that the Responsible Entity may not be able to continue to act, for example if it loses its AFS Licence (in which case it could be replaced as responsible entity of a Fund or the Fund could be wound up). Any replacement responsible entity might achieve different results for investors, positive or negative, than would otherwise be the case. There is also a risk that investing in a Fund may give a different result than investing directly into the constituents or assets that make up the Fund's underlying Index.

### Operational risk

A Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers may also adversely affect the operation and performance of a Fund.

### Personnel risk

The skill and performance of Daintree, can have a significant impact on the investment returns of a Fund. Changes in key personnel and resources of the Responsible Entity or Daintree may also have a material impact on investment returns of a Fund.

### Pooled Investment Scheme risk

The market prices at which a Fund is able to invest inflows, or sell assets to fulfil outflows, may differ from the prices used to calculate the NAV per Unit. Investors in a Fund may therefore be impacted by the investors entering and exiting the Fund. The impact will depend on the size of inflows or outflows relative to the Fund, and on the price volatility of the securities in which the Fund invests. Inflows and outflows may also affect the taxable income distributed to an investor during a financial year.

### iNAV risk

The iNAV published for a Fund is indicative only, it may not be up to date and may not reflect the true value of a Unit.

### Trading risk

In certain circumstances, Chi-X may suspend trading of the Units of a Fund and in that event Holders would not be able to buy or sell Units of that Fund on Chi-X. In these circumstances, the Responsible Entity may suspend the application and redemption process. There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices, such as the suspension or restriction of trading in securities that form part of the Index. This may cause the Fund's Units to be suspended from trading on Chi-X.

Chi-X also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on Chi-X. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the relevant Fund.

The Responsible Entity may elect, in accordance with the relevant Constitution and Corporations Act, to terminate a Fund for any reason including if Units cease to be quoted on Chi-X. Information about Chi-X Operating Rules applicable to quotation of Units in a Fund on Chi-X is set out in section 1.4 of this PDS.

### Liquidity risk

Although the Units will be quoted under the Chi-X Operating Rules, there can be no assurances that there will be a liquid market for Units, and an investor's ability to buy or sell Units may be restricted. Although the Responsible Entity has appointed a market maker for the Units to assist in maintaining liquidity for the Fund on Chi-X, the Responsible Entity cannot guarantee this service will be available at all times and in some circumstances the Market Maker may be unable to provide these services (such as where there are operational disruptions, market disruptions or unusual conditions, or other events set out in the Chi-X Operating Rules). In addition, there is the risk that one or more securities or other assets held by the Fund may be difficult or impossible to sell, preventing the Fund from closing out its position or rebalancing in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions. A lack of liquidity could potentially result in the suspension of withdrawals, which may cause the Fund's Units to be suspended from trading on Chi-X.

### Settlement risk

The application and redemption processes associated with the issue or redemption of Units are subject to settlement procedures through CHES. Funds are exposed to some risk if a market participant fails to comply with its settlement obligations. These risks are mitigated by the fact that market participants are subject to usual Chi-X trading practices including Chi-X fail fees. Funds may also suffer loss if a market participant fails to deliver the application consideration for Units, or redeliver Units in relation to a redemption, by the settlement time and the Funds have entered into transactions in reliance on delivery occurring.

## 4. RISKS

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### **Counterparty risk**

Counterparties used in connection with a Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Fund's custodian. Default on the part of a counterparty could result in financial loss to the Fund.

### **Trading price of units may differ from Net Asset Value per Unit risk**

As with any exchange traded fund, it is possible that the trading price of Units on Chi-X may differ from the Net Asset Value per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, investor confidence, the availability of market maker services during the course of the trading day and the buy-sell spread applied by a market maker. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit. If the application or redemption facility for the Fund is closed on a particular day, the trading price might diverge further from the Net Asset Value per Unit.

### **Changes in law and regulatory risk**

There is a risk that a change in laws and regulations governing a security, sector or financial market could have an adverse impact on a Fund or on the Fund's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

### **Cyber risk**

There is a risk of fraud, data loss, business disruption or damage to the information of a Fund or to investors' personal information as a result of a threat or failure to protect this information or data.

### **Conflicts of interest risk**

A conflict might arise between a Fund and investors buying or selling Units from the Fund. The Responsible Entity maintains a conflicts of interest policy to ensure that it manages its obligations to each Fund and its Holders such that any conflicts are managed fairly.

## 5. HOW TO INVEST IN THE FUND

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Applications for creations and redemptions of units to the Funds must be made by an Authorised Participant. Authorised Participants must enter into an Authorised Participant Agreement with us and are required to comply with any additional requirements set out in that agreement. Authorised Participants must apply to create and redeem units in cash.

### 5.1 PURCHASING UNITS ON-MARKET

Investors can invest in each Fund by purchasing Units on Chi-X through a stockbroker or share trading account. There is no minimum number of Units investors can buy on Chi-X. The purchase of Units on-market is settled through the CHESSE settlement service, and investors will not need to complete any application form.

The cost of investing in a Fund on-market will be the price at which you purchase Units on Chi-X, plus any brokerage fees you incur where the purchase price will be the prevailing market price for the purchase of Units at the time of the transaction. Investors can purchase additional Units on Chi-X at any time, through a stockbroker or share trading account.

Investors do not have a right to a cooling off period for Units purchased on Chi-X.

### 5.2 SELLING UNITS ON-MARKET

Holders can sell Units on Chi-X through a stockbroker or share trading account, without completing any forms. Proceeds from any sale of Units will be delivered through the CHESSE settlement service. An investor's exit price will be the price at which the Units were sold on Chi-X, less any brokerage fee that is incurred.

There is no minimum number of Units investors can sell on Chi-X.

The Market Maker provides liquidity to investors on Chi-X by acting as a buyer and seller of Units. At the end of each Business Day, the Market Maker will create or cancel Units by applying for or redeeming its net position in Units bought or sold on Chi-X.

The liquidity provided by the Market Maker will ultimately be constrained by day-to-day events including but not limited to, the continuing ability of the Market Maker to create and redeem Units. See section 5.3 of this PDS for more information on Off-Market Withdrawal Rights and the risks associated with market making under section 4.

### 5.3 OFF-MARKET WITHDRAWAL RIGHTS

In the event that trading in a Fund's Units on Chi-X have been suspended for five consecutive Chi-X business days, Investors may be able to apply to the Responsible Entity directly to make an off-market withdrawal of their investment from the Fund. Investors can request a withdrawal form by contacting the Unit Registry.

The off-market withdrawal process, including the calculation of the NAV per Unit, applies only when a Fund is 'liquid' (within the meaning given to that term in the Corporations

Act). Where a Fund ceases to be liquid, Units may only be withdrawn pursuant to a withdrawal offer made to all investors in the Fund in accordance with the Constitution and the Corporations Act. PIML is not obliged to make such offers. Where a Fund is not liquid, investors do not have a right to withdraw from the Fund and can only withdraw where the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers. Holders will be notified in writing of any changes to their withdrawal rights.

There may be other circumstances where off-market withdrawals from a Fund are suspended and investors may have to wait a period of time before they can make a withdrawal.

Off-market withdrawals from a Fund may be suspended for up to 28 days including where:

- it is impracticable for PIML, or PIML is unable, to calculate the NAV of the Fund, for example, because of financial market disruptions or closures;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in PIML's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of Units held;
- the quotation of Units on Chi-X is suspended, halted or revoked;
- in respect of any period of 5 consecutive Business Days members request the withdrawal of a number of Units that in aggregate represent more than 10% of the number of Units in issue, the Responsible Entity may in its discretion determine that each withdrawal request made in that period (each an "original withdrawal request") must be and be deemed to be 5 separate withdrawal requests each for a one-fifth portion of the total number of Units in the relevant original withdrawal request;
- PIML reasonably considers it would be in the interests of Investors, or it is otherwise permitted by law;
- a redemption would cause PIML to breach any law, regulation or obligation under which it operates; or
- PIML is allowed to do so by any form of ASIC relief or otherwise permitted by law.

No Units may be issued or withdrawn during such periods of suspension.

## 6. FEES AND OTHER COSTS

### TRANSACTION COSTS

Type of fee or cost	Amount			How and When Paid
Fees when your money moves in or out of a Fund				
Establishment fee The fee to open your investment	Nil			N/A
Contribution fee* The fee for each amount contributed to your investment	Nil			N/A
Withdrawal fee* The fee on each amount you take out of your investment	Nil			N/A
Exit fee The fee to close your investment	Nil			N/A
Management costs <sup>1</sup>				
The fees and costs for managing your investment	<b>ECAS</b>	<b>ECOR</b>	<b>EMAX</b>	Calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	Investment management fee 0.15% per annum of the Fund's Net Asset Value Plus Expense recoveries <sup>2</sup> Nil Plus Indirect costs Nil	Investment management fee 0.45% per annum of the Fund's Net Asset Value Plus Expense recoveries <sup>2</sup> - capped at 0.10% per annum of the Fund's Net Asset Value Plus Indirect costs Nil	Investment management fee 0.55% per annum of the Fund's Net Asset Value Plus Expense recoveries <sup>2</sup> - capped at 0.10% per annum of the Fund's Net Asset Value Plus Indirect costs Nil	

Fees and cost can be paid directly from your account or deducted from your investment returns.

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

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees" in the "Additional Explanation of Fees and Costs" section below.

1. Management costs include the investment management fee and expense recoveries (excluding any unusual or non-recurrent expenses). Management costs reduce the Net Asset Value of a Fund and are reflected in the unit price.
2. Certain expense recoveries may be deducted from a Fund on an uncapped basis. See explanation of "Management Costs" in the "Additional Explanation of Fees and Costs" section below for more information.

\* Cash applications and redemptions are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of a cash application or redemption as agreed with the Responsible Entity from time to time.

## 6. FEES AND OTHER COSTS

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### 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 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) website ([www.moneysmart.gov.au](http://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 the Fund. The fees and costs charged by the Fund may be deducted from your account, from the returns on your investment or from the Fund 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.



## 6. FEES AND OTHER COSTS

### 6.1 EXAMPLE OF ANNUAL FEES AND COSTS FOR THE FUND

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

NB. The Table uses ECAS as the example. These figures would change accordingly for ECOR and EMAX.

**Example. Table 5.1**

Balance of \$50,000 with total contributions of \$5,000 during the year.		
Contribution fee* The fee for each amount contributed to your investment	\$0	For every additional \$5,000 you put in, you will be charged: \$0
PLUS Management Costs (investment management fee plus capped expense recovery plus indirect costs)	0.15% p.a.	And, for every \$50,000 you have in a Fund you will be charged \$75 each year.
Exit fee The fee to close your investment	Nil	N/A
EQUALS cost of the Fund <sup>1 2 3</sup>		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 of \$75  What it costs you will depend on the fees you negotiate with PIML or your financial adviser.

When calculating management costs in this example, the law says we must assume that the value of your investment remains at \$50,000 and the Fund's Unit price does not fluctuate. Management Costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions).

Management Costs are made up of the investment management fee, capped expense recovery and estimated indirect costs, of a Fund's Net Asset Value. As stated, this varies between the Funds. Please see section 6 for more detail. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to "Management Costs" in the "Additional Explanation of Fees and Costs" section below.

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) and use their managed investment fee calculator.

1. Certain additional costs apply, such as extraordinary expense recoveries. For more information, refer to the "Additional Explanation of Fees and Costs" section below.
2. This is an example only. It assumes that the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.
3. Additional fees may be paid to a broker or financial adviser, if you have consulted one. You should refer to the Statement of Advice provided by your broker/financial adviser in which details of the fees are set out.

## 6. FEES AND OTHER COSTS

### 6.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

#### Management costs

Each Fund pays Management Costs on a per annum basis to the Responsible Entity for managing the assets of the Fund and overseeing the operations of the Fund. Management Costs vary per Fund. Please see section 6 for more detail.

The Management Costs include the ongoing fees and other costs involved in managing the Fund and deriving investment returns. The management costs comprise:

- Responsible Entity's fee (from which Daintree's fee as investment manager is paid);
- Expense Recoveries;
- any indirect costs

Management costs do not include:

- transactional and operational costs, such as brokerage on securities transactions for Fund assets fees and other transaction costs associated with buying and selling the Fund's assets; and
- other costs that an investor would ordinarily incur when investing directly in the Fund's underlying assets.

These costs are therefore not included in the Management Costs set out in Table 5.1, but they are paid out of the Fund's assets.

#### Indirect costs

These form part of Management Costs and include any fees and expenses not already charged to a member as a fee that will directly or indirectly reduce the return on a product, for example, certain OTC derivative costs. A Fund's indirect costs are based on an estimate for the period starting at the commencement of the Fund and ending 30 June 2020 and are estimated to be NIL for all Funds. Actual indirect costs for future years may differ for a Fund.

#### Expense Recoveries

These represent the operating expenses incurred in the operation of a Fund. Each Fund constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered. However, as detailed below whilst this PDS is current these expenses will be capped.

The expenses normally incurred in the day to day operation of a Fund include, but are not limited to: custodian, fund administration, unit registry, Chi-X fees and audit costs (other than transactional costs described above). The normal expenses charged to the relevant Fund will be capped as set out in Table 5.1 above. Any such expenses in excess of the cap will be borne by the Responsible Entity from its own resources, on the basis that the Responsible Entity has the right to be reimbursed for them at a later time, provided that the cap will not be exceeded at the time of reimbursement.

#### Extraordinary expenses

Expenses that are not normally incurred in the day to day operation of a Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Extraordinary expense recoveries are not included in the cap on expenses

described in this section and are not included in the Management Costs set out in Table 3.1 and Table 3.2 above. If the cap on expenses is exceeded because of the payment of extraordinary expenses, Holders will be notified. Any such expenses will be recovered from the Fund and reflected in the Fund's Net Asset Value per Unit.

#### Stockbroker fees

Investors may incur customary brokerage fees and commissions when buying and selling Units on Chi-X, as for any listed or quoted security. Please consult a stockbroker for more information in relation to their fees and charges.

#### Can fees and costs change and what are the maximums?

Yes, fees and costs can change subject to maximums in each Fund's Constitution. The Constitutions of each Fund limits the amount of the Responsible Entity's fee to a maximum of 5% p.a. of a Fund's Net Asset Value (plus GST). However, Management Costs (which include the Responsible Entity's fee) are capped at the levels set out in the table in section 6 while this PDS is current. The Constitution of each Fund provides for the following maximum application and redemption fees:

- a maximum application fee of 5% of the aggregate Issue Price of the Units applied for (plus GST);
- a maximum redemption fee of 5% of the aggregate Withdrawal Amount of the relevant Units (plus GST).

The Responsible Entity also has the right under the Constitution to recover from the Fund all expenses properly incurred in the performance of its duties. As at the date of this PDS, the Responsible Entity does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time. Any increase in the fees and costs for the Fund will be announced to Chi-X via the Market Announcements Platform at least 30 days before it occurs.

#### Transactional and operational costs

Transactional and operational costs include brokerage, settlement costs, bid-offer spreads on investments and currency transactions and borrowing, clearing and stamp duty costs, such as brokerage on securities transactions for a Fund's assets, clearing costs, and other transaction fees associated with buying and selling the Fund's assets. Transactional and operational costs are an additional cost and are not included in the Management Costs. These costs are also incurred in connection with day to day trading within the Fund. Transactional and operational costs are not charged to you as a fee, however, they will have an effect on the value of your investment by reducing the Net Asset Value of the Fund.

#### eInvest Cash Booster Fund (Managed Fund)

We estimate the total transaction and operational costs of the Fund for the year ending 30 June 2019 will be approximately 0.00% of the net asset value of the Fund for the year, of which approximately 0.00% is estimated to be recouped via the buy/sell spread when applications and redemptions take place. The difference of 0.00% reflects the day-to-day trading costs and is factored into the net investment return of the Fund. These costs may vary in future. If an investor had a balance of \$100,000 through the year, their investment would be impacted by \$0 for the year. We have also assumed that

## 6. FEES AND OTHER COSTS

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application monies received in respect of the Fund are fully invested. In practice, your incurred transaction and operational costs will vary from year to year based on your investment balance, the Fund's volume of trading and the number and value of applications processed.

### **eInvest Core Income Fund (Managed Fund)**

We estimate the total transaction and operational costs of the Fund for the year ending 30 June 2019 will be approximately 0.07% of the net asset value of the Fund for the year, of which approximately 0.05% is estimated to be recouped via the buy/sell spread when applications and redemptions take place. The difference of 0.02% reflects the day-to-day trading costs and is factored into the net investment return of the Fund. These costs may vary in future. If an investor had a balance of \$100,000 through the year, their investment would be impacted by \$20 for the year. We have also assumed that application monies received in respect of the Fund are fully invested. In practice, your incurred transaction and operational costs will vary from year to year based on your investment balance, the Fund's volume of trading and the number and value of applications processed.

### **eInvest Income Maximiser Fund (Managed Fund)**

We estimate the total transaction and operational costs of the Fund for the year ending 30 June 2019 will be approximately 0.21% of the net asset value of the Fund for the year, of which approximately 0.15% is estimated to be recouped via the buy/sell spread when applications and redemptions take place. The difference of 0.05% reflects the day-to-day trading costs and is factored into the net investment return of the Fund. These costs may vary in future. If an investor had a balance of \$100,000 through the year, their investment would be impacted by \$60 for the year. We have also assumed that application monies received in respect of the Fund are fully invested. In practice, your incurred transaction and operational costs will vary from year to year based on your investment balance, the Fund's volume of trading and the number and value of applications processed.

No operational expenses will be charged to the Fund(s)

### **Differential fees**

A rebate of part of the Responsible Entity fee may be negotiated with investors who are wholesale clients for the purposes of Section 761G of the Corporations Act.

The amount of any fee rebate is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions by payments from its own resources. Further information can be obtained by contacting PIML.

### **Adviser remuneration**

No commissions will be paid by us to financial advisers. Additional fees may be paid by you to your financial adviser if one is consulted. You should refer to the Statement of Advice they give you in which details of the fees are set out.

## 7. ADDITIONAL INFORMATION

### 7.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND(S)

There are a number of parties in addition to the Responsible Entity involved in the ongoing operation and administration of the Funds or who otherwise provide services in connection with the Funds:

#### **Custodian and administrator**

The custodian provides custodial services to the Responsible Entity, including holding the assets of the Funds. The custodian may, from time to time, appoint sub-custodians. The custodian has a limited role and has no obligation to monitor whether the Responsible Entity is complying with its obligations as responsible entity of the Funds.

As of the date of this PDS, the custodian is:

National Australia Bank Limited ABN 12 004 044 937

Level 12

500 Bourke Street

Melbourne VIC 3000

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing the Funds' assets and liabilities, calculating the Issue Price and Withdrawal Amount, and taxation and other services. The Responsible Entity may change the custodian and administrator without prior notice to Holders.

As of the date of this PDS, the administrator is:

Mainstream Fund Services Pty Limited, ABN 81 118 902 891

1/51-57 Pitt Street

Sydney NSW 2000

#### **Unit Registry**

As for any quoted security, the role of the Registry is to keep a record of the Holders in the Funds. This includes details such as the quantity of Units held, tax file numbers (if provided) and details of distribution reinvestment plan participation. The Responsible Entity may change the Registrar without prior notice to Holders.

As of the date of this PDS, the Registry is:

Link Market Services Limited ABN 54 083 214 537

Level 12, 680 George Street

Sydney NSW 2000

#### **The Market Maker and Market Making**

We have appointed an experienced Market Maker for the Funds under a Market Making agreement.

The role of a Market Maker is to provide liquidity in the market for Units and to satisfy supply and demand for Units. It does this by:

- Subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units during a significant part of the trading day; and
- Creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms that:

- have experience in making markets in exchange-traded securities in Australia;
- have the necessary skill and expertise to perform market making functions; and
- are Chi-X participants (or trade through a Chi-X participant).

To qualify for admission as a Chi-X participant, a firm must meet admission requirements set out in the Chi-X Operating Rules. The requirements include:

- a) a firm must hold an AFS Licence that authorises it to carry on its business as a market participant. Unless it satisfies Chi-X that an AFSL is not so required, and
- b) satisfying Chi-X of various matters including organisational competence and business integrity.

Generally, arrangements with a market maker will specify certain permitted circumstances in which the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other circumstances as permitted under the Chi-X Operating Rules, the suspension or rejection by the Responsible Entity of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If the Market Maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. Subject to the Chi-X Operating Rules and agreements with the Market Maker, the Responsible Entity may replace or terminate the Market Maker. The Responsible Entity may determine to no longer appoint the Market Maker in respect of the Funds in circumstances where it is no longer required to do so under the Chi-X Operating Rules.

#### **Auditor**

The Responsible Entity has engaged KPMG as the independent auditor of the financial statements of the Responsible Entity and the Funds and of the Responsible Entity's compliance plans for the Funds.

#### **Monitoring of service providers**

The Responsible Entity has procedures in place to monitor the performance of those service providers to whom functions have been outsourced. Monitoring methods include, where appropriate, daily observation of service provider performance, review of regular compliance and audit reports, regular meetings with service providers and performance assessments. PIML as the Responsible Entity

#### **PIML as the Responsible Entity**

As Responsible Entity, PIML is responsible for the management and administration of the Funds. The Responsible Entity holds an Australian Financial Services Licence (AFSL 275101) that authorises it to act as the responsible entity of the Fund. The powers and duties of the Responsible Entity are set out in the Constitution of the Fund, the Corporations Act and general trust law.

## 7. ADDITIONAL INFORMATION

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The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

### **Daintree as the Investment Manager**

The Responsible Entity has appointed Daintree as the investment manager of each Fund.

See section 2.1 for more information on the Investment Manager and section 7.14 for information on the terms of this agreement.

### **7.2 THE CONSTITUTION**

The Funds are registered managed investment schemes governed by Constitutions. Under each Constitution, the Responsible Entity has all the powers it is possible to confer on a trustee as though it were the absolute owner of the Fund's assets and acting in its personal capacity.

Each constitution addresses matters such as NAV per Unit, withdrawals, the issue and transfer of Units, investor meetings, investors' rights, the Responsible Entity's powers to invest, borrow and generally manage the Fund and the Responsible Entity's fee entitlement and right to be indemnified from the Fund's assets. The Responsible Entity may alter a Constitution if it reasonably considers the amendments will not adversely affect investors' rights. Otherwise, the Responsible Entity must obtain investors' approval at a meeting of investors.

To the extent that any contract or obligation arises in connection with the acceptance by the Responsible Entity of an application or reliance on this PDS by investors, any amendment to a Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by the Responsible Entity with the approval of a special resolution of investors (Holders), or without that approval if the Responsible Entity considers the variation or cancellation will not materially and adversely affect investors' rights.

The Responsible Entity may retire or be required to retire as responsible entity of a Fund (if there is a resolution passed by Holders of a majority by value of interests, vote for the Responsible Entity's removal). No Units may be issued after the 80th anniversary of the date of each Constitution.

The Responsible Entity may exercise its right to terminate a Fund earlier. Holders' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

The Responsible Entity may resolve at any time to terminate and liquidate a Fund in accordance with its Constitution and the Corporations Act. Upon termination and after conversion of the assets into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated) the net proceeds will be distributed pro rata among all Unit holders (Holders) according to the aggregate of the Redemption Price for each of the Units they hold in the Fund.

A copy of the Constitution in relation to each relevant Fund may be inspected by Holders at the Responsible Entity's office, during business hours. The Responsible Entity will provide Holders with a copy of the relevant Constitution upon request

### **7.3 THE COMPLIANCE PLAN**

The Responsible Entity has prepared and lodged a compliance plan for each Fund with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the Corporations Act and the Constitution of the Fund. Each year the Responsible Entity's compliance with the compliance plan, will be independently audited, as required by the Corporations Act, and the auditor's report will be lodged with ASIC.

### **7.4 THE COMPLIANCE COMMITTEE**

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plans and reporting its findings to the Responsible Entity;
- reporting breaches of the Corporations Act or the Constitution to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plan, recommending any changes and reporting these to the Responsible Entity.

### **7.5 UNIT PRICING POLICY**

The Responsible Entity has documented its policy on how it exercises discretions when determining Unit prices for the Fund.

The policy has been designed to meet the ASIC requirements and is available on request to all Holders and prospective Holders at no charge.

### **7.6 IF YOU HAVE A COMPLAINT**

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact us on 1300 088 660 (+61 3 8623 4202 - New Zealand) or write to:

eInvest Client Services

Perennial Investment Management Limited

PO Box R1709

Royal Exchange NSW 1225

Where possible, concerns will be resolved immediately.

If further investigation is required, we will acknowledge your complaint in writing and will consider and deal with your



## 7. ADDITIONAL INFORMATION

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complaint as quickly as possible. We are required by law to deal with your complaint within 45 days.

If you are not satisfied with the decision or response to your complaint, or 45 days have elapsed since you made your complaint, you may contact the Australian Financial Complaints Authority (AFCA) by calling 1800 367 287, or by writing to AFCA at GPO Box 3, Melbourne, VIC 3001. Information may also be obtained at [www.afca.org.au](http://www.afca.org.au). To be considered by AFCA, the claim involved must fall within AFCA's jurisdiction as set out in their Terms of Reference (published on the above website), including that any claim must not exceed \$500,000 (as may be amended by AFCA from time to time).

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

### 7.7 PROTECTING YOUR PRIVACY

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

The Responsible Entity is committed to respecting the privacy of a Holder's personal information. The Responsible Entity's privacy policy states how the Responsible Entity manages personal information.

The Responsible Entity collects personal information in the Application and Redemption Form, and may collect additional personal information in the course of managing the Fund. Some information must be collected for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006.

The Responsible Entity may provide personal information to a Holder's adviser if written consent is provided to the Responsible Entity. The Responsible Entity may disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing.

The Responsible Entity may provide a Holder's personal information to its service providers for certain related purposes (as described under the Privacy Act 1988) such as account administration and the production and mailing of statements. The Responsible Entity may also use a Holder's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Holders informed of the Responsible Entity's or its partners' products and services, or to their financial adviser or broker to provide financial advice and ongoing service.

The Responsible Entity will assume consent to personal information being used for the purposes of providing information on services offered by the Responsible Entity and being disclosed to market research companies for the purposes of analysing the Responsible Entity's investor base unless otherwise advised. Holders may request access to the personal information held about them at any time and ask the Responsible Entity to correct this information if it is incomplete, incorrect or out of date.

To obtain a copy of the privacy policy, contact the Responsible Entity on 1300 088 660 (within Australia) or +61 3 8623 4202 (outside Australia).

### 7.8 ATTRIBUTION MANAGED INVESTMENT TRUST REGIME

The Australian government introduced a new tax system for certain managed investment trusts (referred to as attribution managed investment trust or AMIT regime) to reduce complexity, increase certainty and minimise compliance costs for managed investment trusts and their investors.

One benefit of the application of the AMIT regime is that it gives the trustee the discretion to deal with under and over distributions for a previous income year in the year in which they are discovered, called the 'discovery year', rather than the income year they relate to. "Unders" and "overs" distributions arise where net income and tax offset entitlement amounts reported to Holders understate or overstate the amounts correctly determined under the law.

The Responsible Entity as trustee of the Funds intends to apply the AMIT regime to the Funds. By investing in the Units each Holder acknowledges and agrees that under the AMIT regime the Responsible Entity of the Funds has the choice with respect to how it addresses any amounts which give rise to under/over distributions in respect of a particular income year, including whether such amounts are addressed by issuing amended AMMA Statements to Holders for the income year to which they relate or adjusting the trust components in the income year in which the under/over distribution is discovered.

### 7.9 ANTI-MONEY LAUNDERING / COUNTER TERRORISM FINANCING

The AML/CTF Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML/CTF Act is enforced by AUSTRAC. However, both the issue of Units in the Funds and secondary trading of Units in the Fund are exempt from the AML Requirements by section 247(3) of the AML/CTF Act and Chapter 21 of the Anti-Money Laundering and Counter Terrorism Rules.

### 7.10 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) & OECD COMMON REPORTING STANDARD (CRS)

FATCA was enacted by the U.S. Congress to target noncompliance by US taxpayers using foreign accounts. In order to prevent FATCA withholding tax being applied to any US connected payments made to the Fund in Australia, PIML on behalf of each Fund is required to collect and report information to the Australian Taxation Office relating to certain U.S. accounts, which may be exchanged with the U.S. Internal Revenue Service.

## 7. ADDITIONAL INFORMATION

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Similar to FATCA, the CRS for the automatic exchange of information is a single global standard for the collection and reporting to tax authorities of information by financial institutions on non-residents, PIM on behalf of each Fund may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or CRS compliance obligations. In the event the Fund suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor the Responsible Entity acting on behalf of the Fund will be required to compensate you for any such tax, except in exceptional circumstances.

### 7.11 OTHER SERVICES

The Responsible Entity, in its personal capacity, or companies related to the Responsible Entity, may invest in or provide services to each Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length.

### 7.12 INDICATIVE NET ASSET VALUE PER UNIT

As at the date of this PDS, the Responsible Entity intends to take all reasonable steps to make available, or may designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Unit (iNAV) for a Fund no less frequently than every 15 minutes during a Chi-X business day. Such information will be calculated based upon information available to the Responsible Entity or its designate during the Chi-X business day. As at the date of this PDS, the Responsible Entity has arranged for Interactive Data (Australia) Pty Ltd (ICE) to calculate and publish the iNAV. The Responsible Entity expects that the iNAV for each Fund will be accessible from broker websites and other financial information services and at our website.

The iNAV calculations are estimates of the Net Asset Value per Unit calculated using market data. The iNAV price is a calculation of the value of a portfolio of assets that is indicative of a Fund's portfolio as at the open of trading on the relevant day based on quotes and last sale prices, less any liabilities of the Fund. Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available, in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV. No assurance can be given that any iNAV will be published continuously, will be up to date or free from error. The publication of an iNAV is dependent on the availability of a suitable data provider and other factors.

### 7.13 WARNING STATEMENT FOR NEW ZEALAND INVESTORS

The following disclosure is made to enable each Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Australian Corporations Act 2001 (Cth) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

#### Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

#### Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New

## 7. ADDITIONAL INFORMATION

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Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Dispute resolution process

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

### 7.14 MATERIAL CONTRACTS

The Responsible Entity has entered into (or will enter into prior to the date Units are first issued in any Fund) a number of contracts in relation to the offer of the Fund, as set out below:

#### Management agreement

PIML has appointed Daintree as investment manager for each Fund. In performing this Daintree must comply with the investment guidelines issued by PIML from time to time and the investment objectives set out in this PDS of each Fund, as amended by PIML from time to time.

PIML may terminate each agreement without cause by giving at least 5 business days' notice to Daintree and Daintree may terminate the agreement without cause by giving PIML at least 20 business days' notice. PIML may also terminate the agreement for cause immediately.

Under each agreement, the parties give indemnities to each other consistent with market practice for a management agreement of this nature.

In consideration for performing its obligations under each agreement, PIML must pay Daintree the fees it receives for acting as responsible entity of the Fund less withholdings required to meet expenses of the Fund and PIML's AFSL and solvency requirements.

#### Market-making agreement

An experienced market maker has been appointed as market-maker for the Funds. This agreement sets out the services provided by the market-maker on an ongoing basis to ensure that the Responsible Entity complies with market-making obligations under Chi-X Operating Rules.

#### Custody agreement

National Australia Bank Limited is responsible for the custody for the assets of the Funds. This agreement sets out the services provided by the custodian on an ongoing basis together with the service standards.

#### Investment administration agreement

Mainstream Fund Services is responsible for the administration for the Funds. This agreement sets out the services provided by the administrator (accountancy services, tax services and fund administration services including Unit price calculations), together with the service standards.

#### Registry agreement

Link Market Services Limited is responsible for establishing and maintaining the registry for the Funds.

This agreement sets out the services provided by the Registrar on an ongoing basis together with the service standards.

### 7.15 ASIC RELIEF

#### Equal Treatment relief

ASIC has granted individual relief under section 601QA of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent that it would prevent PIML from permitting only Authorised Participants to withdraw from the Fund. For the purposes of this relief (and for so long as we are permitted to rely on it), except in exceptional circumstances, only Authorised Participants may withdraw from the Fund, but other unitholders may sell their units on the Exchange. However, if the units are suspended from trading on the Exchange for more than 5 consecutive trading days, Investor will have the right to withdraw from the Fund and receive payment for their interests in money within a reasonable time of request unless any of the following apply:

- the Fund is being wound up;
- the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act; or
- we suspend redemptions in accordance with the Constitution.

In the event that such a redemption occurs, any withdrawal fee per unit payable by unitholders who are not Authorised Participants will not be greater than the withdrawal fee per unit that would generally be payable by an Authorised Participant receiving redemption proceeds in cash when withdrawing the minimum parcel of units.

The Responsible Entity will not treat members of the same class equally to the extent that it restricts withdrawals from the Fund to Authorised Participants.

#### Class Order Relief - Ongoing Disclosure

ASIC has granted Class Order relief (CO 13/721) under section 1020F(1)(a) of the Corporations Act from the ongoing disclosure requirements in section 1017B on the condition that PIML complies with the continuous disclosure requirements in section 675 of the Corporations Act as if the Fund was an unlisted disclosing entity. PIML will comply with these continuous disclosure requirements of the Corporations Act as if the Fund was an unlisted disclosing entity.

#### Class Order Relief - Periodic Statements

ASIC has granted relief under Class Order 13/1200 which exempts PIML from certain periodic statement requirements. In particular, we are not required to include purchase or sale price information or return on investment information where we are unable to determine such information provided we explain why this information is not included and how it can be obtained or calculated. In addition, Class Order 13/1200 requires us to report in the periodic statement whether the Funds have met their investment objectives.

### 7.16 DOCUMENTS LODGED WITH ASIC

The Responsible Entity is subject to certain regular reporting and disclosure obligations in relation to the Funds under the Corporations Act. Copies of documents lodged with ASIC in relation to the Funds may be obtained from, or inspected at, an ASIC office. As an investor in a Fund, a Holder may obtain the following documents from the Responsible Entity (as at

## 7. ADDITIONAL INFORMATION

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the date of this PDS, no such documents have been lodged with ASIC):

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.

The Responsible Entity will send a requesting Holder a printed or electronic copy of any of the above documents free of charge within 5 business days of the request.

### 7.17 NO COOLING OFF

There is no cooling off period in relation to the subscription for Units in the Funds. This means that once an application form is submitted, an applicant cannot decide to withdraw the application.

### 7.18 INDIRECT INVESTORS

When an investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the investor's behalf. Consequently the operator (or the custodian of the platform), and not the investor as an indirect investor, holds the Units and therefore has the rights of a Holder in the relevant Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at Holder meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

### 7.19 INFORMATION AVAILABLE FROM THE RESPONSIBLE ENTITY

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as Responsible Entity of the Fund and issuer of the Units. As part of each Fund's conditions of admission to trading status on Chi-X under the Chi-X Operating Rules, Perennial has agreed to:

- Provide the iNAV as described in this PDS;
- Disclose the Fund's portfolio holdings on a monthly basis; and

Make available half year and annual financial reports, distribution information and other required disclosures on the Chi-X Market Announcements Platform (by visiting [www.chi-x.com.au](http://www.chi-x.com.au))

The following information can be obtained from us by visiting the eInvest website at [www.einvest.com.au](http://www.einvest.com.au) or by contacting eInvest on 1300 088 660 (within Australia) or +61 3 8623 4202

(outside Australia):

- The daily Net Asset Value (NAV) for the Fund;
- The daily NAV per Unit for the Fund;
- The iNAV per Unit for the Fund;
- The Responsible Entity's Unit pricing policy;
- The latest PDS for the Fund;
- Copies of announcements made to Chi-X via the Chi-X Market Announcements Platform (including continuous disclosure notices and distribution information);
- Information about distributions as soon as possible after they are declared;
- Annual and any half-year reports and financial statements for the Fund and;
- Details of any Distribution Reinvestment Plan.
- The pricing basket and portfolios

### 7.20 DISCLAIMER

We have appointed National Australia Bank Limited (ABN 12 004 044 937) (NAB), as the Custodian of the assets of the Fund. In its capacity as Custodian, NAB's role is limited to holding the assets of the Funds as agent of the responsible entity. The Custodian has no supervisory role in relation to the operation of the Funds and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement.

Neither NAB, nor any other division or subsidiary of NAB, guarantees the performance of the investment or the underlying assets of the Fund, or provides a guarantee or assurance in respect of the obligations of the responsible entity or its related entities.

The Custodian holds investments of the Funds as bare trustee and such investments are not investments of, NAB or any other member of the NAB group of companies (NAB Group). Neither NAB, nor any other member of NAB Group, guarantees the performance of the investment or the underlying assets of the Funds, or provide a guarantee or assurance in respect of the obligations of the Responsible Entity or its related entities. As Responsible Entity of the Funds, we pay fees to NAB in consideration for providing those services.

### 7.21 CONSENTS

The following parties have given written consent (which has not been withdrawn at the date of this PDS) to being named in the form and context in which they are named, in this PDS:

- Daintree Capital Management Pty Limited
- Mainstream Fund Services Pty Limited
- Link Market Services Limited
- National Australia Bank Limited



## 8. TAXATION

Each party named above who has consented to be named in the PDS:

- has not authorised or caused the issue of this PDS;
- does not make or purport to make any statement in the PDS (or any statement on which a statement in the PDS is based) other than as specified; and
- to the maximum extent permitted by law, takes no responsibility for any part of the PDS other than the reference to their name in a statement included in the PDS with their consent as specified.

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Funds for a potential Australian resident investor. It does not take into account the specific circumstances of each person who may invest in the Funds. It should not be used as the basis upon which potential investors make a decision to invest. As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units in relation to their own particular circumstances before making any investment decision. The taxation information in this PDS has been prepared based on the Australian tax laws and administrative interpretations of such laws in effect as at the date of this PDS. Investors should be aware that the ultimate interpretation of taxation law rests with the Courts and that the law, and the way the Federal Commissioner of Taxation ("Commissioner") or a Commissioner of State Revenue administers the law and interpretations may change at any time.

**Investors should obtain independent taxation advice that takes into account their specific circumstances regarding investing in the Fund.**

This tax summary has been prepared on the assumption that:

- the Funds are managed investment trusts within the meaning of section 995-1 of the Income Tax Assessment Act 1997 ("1997 Act");
- the Funds qualify as attribution managed investment trusts ("AMIT") within the meaning of section 995-1 of the 1997 Act and the trustee of the Funds elects to apply the AMIT regime to each Fund;
- the Funds are not a public trading trust under Division 6C of the Income Tax Assessment Act 1936; and
- the Taxation of Financial Arrangement ("TOFA") provisions in Division 230 of the 1997 Act do not apply to the Funds (and no election will be made to voluntarily apply these provisions).

### Distributions

Each Fund is a resident of Australia for tax purposes. Each Fund is required to determine its tax components for the income year. These components may include assessable income, exempt income, non-assessable non-exempt income, tax offsets and credits of different characters. Investors should be entitled to their share of the relevant Fund's tax components each year. Investors are treated as having derived

their share of the tax component of the Fund directly on a flow through basis. In the case where a Fund makes a loss for tax purposes, that Fund cannot distribute the loss to investors. However, subject to a Fund meeting certain conditions, such Fund may be able to take into account the losses in subsequent years.

The distributions an investor receives may include a number of different types of income which reflect the income derived by the Fund. These components may include:

- capital gains;
- foreign income and foreign income tax offsets; and
- tax deferred distributions

The components of the distribution (if any) may be comprised of a combination of income and capital amounts, or may be comprised solely of amounts of the same character. Interest earned on cash and dividends received from shares will be income, while gains and losses on the sale of listed securities are generally expected to be on capital account. Gains and losses on derivatives contracts may be on either revenue or capital account, subject to the application of the TOFA rules.

An Australian investor's share of the tax components of a Fund for a year of income form part of the investor's assessable income of that year.

The investor will be provided with a statement for tax purposes after 30 June each year to assist the investor (and their adviser) in determining their tax position. This tax statement will advise the investor of the share of the tax components of the Fund (if any) to include in the investor's tax return as assessable income, capital gains and any foreign income/foreign income tax offsets.

If the trustee discovers understatements or overstatements of taxable income and tax offsets in prior years, the trustee has the ability under the AMIT regime to deal with these understatements and overstatements in the income year in which they are discovered. That is, the distribution statements in the discovery year may be adjusted to take into account these understatements or overstatements from a prior income year, rather than re-issuing amended distribution statements for the prior income year to which the understatement or overstatements relates to.

An investor may be required to make, in certain circumstances, both upward and downward adjustments to the cost or cost base of their unit holdings. This occurs where during an income year there is a difference between:

- (a) the total of the amounts (money or property) that an investor is entitled to from the Fund and the tax offsets that are allocated to an investor during the year; and
- (b) the tax components included in that investor's assessable income or non-assessable non-exempt income.

If the amount in (a) exceeds the amount in (b), the cost or cost base of the investor's units in a Fund should be reduced by the excess amount. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. Should the cost base be reduced to below zero, the amount in excess of the cost base

## 8. TAXATION

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should be a capital gain that is to be included in the investor's taxable income.

An Australian resident investor may be entitled to the CGT discount in respect of this gain if the Units have been held for over 12 months. A Holder may be eligible for the 50% CGT discount (where the Holder is an individual or trust) or a 33 1/3% CGT discount (where the Holder is a complying superannuation fund) in respect of the gain that forms part of that Holder's assessable income. A corporate investor cannot claim the benefit of the CGT discount. Any available capital losses incurred by the investor reduce the capital gain before the remaining net capital gain is discounted in the hands of the investor. Capital losses can only be used to reduce capital gains under the CGT provisions.

Conversely, where the amounts in (a) falls short of the amounts in (b) during an income year, the cost or cost base of the investor's units in the relevant Fund should be increased by the shortfall amount.

For Holders who hold Units as trading stock or as part of a securities trading business, similar adjustments need to be made to the tax cost base of the Units to reflect the difference in the amounts referred to above in (a) and (b). Should the tax cost base be reduced to below zero, the amount in excess of the tax cost base should be included in the investor's assessable income.

In the case where a Fund makes a loss for tax purposes, that Fund cannot distribute the loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in subsequent years.

To assist Holders (and their advisers) determine their tax position each income year, Holders will be provided with distribution statements after the end of each financial year detailing the components, for tax purposes, of any distributions received from a Fund during the financial year, including on the redemption of Units.

### Franking credits

The Funds may invest in Australian securities which pay franked dividends. A Holder may receive distributions from a Fund which include franking credits. While franking credits are not a cash component of the distribution, normally any franking credits that form part of the distribution should be included as taxable income for the relevant year and declared in a Holder's tax return. Subject to satisfying certain criteria, such franked distributions generally entitle Australian resident investors to obtain a tax offset (the franking credits) that may be offset against their Australian income tax payable in the relevant year. Some investors (e.g. complying superannuation funds and resident individuals) may have an entitlement to a tax refund in respect of the franking credits to the extent they exceed the investor's Australian income tax payable in the relevant year. The ability to offset franking credits against income tax payable is subject to certain legislative restrictions (such as the 45 day holding period rule). We recommend that investors obtain independent professional tax advice about the availability of offsets relating to franking credits.

### Capital gains and losses

A trust that qualifies as a managed investment trust ("MIT") can elect to treat its gains and losses on disposal of certain investments (including shares and units in other trusts, but

excluding certain financial arrangements under TOFA) as capital gains and losses. A Fund is expected to make this election, where eligible. If the Fund disposes of any of its investments (e.g. on the sale of any assets when Units are redeemed), the Fund may realise assessable capital gains. A capital gain derived by the Fund may be eligible for the 50% CGT discount where the investment has been held for at least 12 months (excluding the acquisition and disposal dates). Any assessable capital gains derived by the Fund to which a Holder becomes entitled forms part of the Holder's assessable income.

Where a Holder becomes entitled to a discounted capital gain from the Fund, the Holder will be required to gross-up the capital gain for the discount at the time that they are required to include that gain in their assessable income. A Holder may also be eligible for the 50% CGT discount (where the Holder is an individual or trust) or a 33 1/3% CGT discount (where the Holder is a complying superannuation fund) in respect of the gain that forms part of that Holder's assessable income.

### Selling or redeeming Units

If a Holder disposes of Units by selling or transferring the Units to another person (e.g. selling on-market) or redeems their Units, the Holder may be liable for tax on any gains realised on that disposal or redemption of Units.

If a Holder is assessed otherwise than under the CGT provisions on a disposal or redemption of Units (e.g. if the Holder is in the business of dealing in securities like Units), any profits made on the disposal or redemption of the Units should be assessable as ordinary income. Such Holders may be able to deduct any losses made on the disposal of Units. As mentioned above under "Distributions", an investor may be required to make both upward and/or downward adjustments to the cost base of their unit holdings, very broadly, where there is a difference between the cash distribution received by an investor in respect of their Units and the amount of the tax components of a Fund which the investor is required to include in their assessable income. These tax cost base adjustments should be taken into account in working out any revenue gain or loss made on the disposal of the Units.

If a Holder is assessed under the CGT provisions on disposal of Units, the Holder may make a capital gain or loss on the disposal of those Units, in the year in which the contract for the disposal is entered into. An Australian investor should make a capital gain on the disposal of the Unit if the capital proceeds received by the investor exceed the asset's cost base. If the capital proceeds received by an investor are less than the asset's reduced cost base, then the investor should make a capital loss. Capital losses may be offset against taxable capital gains made by an investor but not against other types of income.

The cost base that an investor has in a Unit is, broadly, the sum of:

1. the amount the investor paid to acquire the Unit;
2. incidental costs of acquisition and disposal; and
3. the costs of ownership of the Unit (e.g. interest incurred by an investor as a result of borrowing funds to acquire the Unit where the interest is not otherwise allowable as a tax deduction).



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In the case of Units acquired under the Distribution Reinvestment Plan, the cost base of the Unit acquired will include the amount of the distribution applied to acquire the Units.

The reduced cost base of a Unit includes 1 and 2, but not 3 of the matters listed immediately above.

In addition, an investor may be required to make both upward and/or downward adjustments to the cost base of their unit holdings, very broadly, where there is a difference between the cash distribution received by an investor in respect of their Units and the amount of the tax components of a Fund which the investor is required to include in their assessable income. Refer to the comments above under "Distributions". Some Holders may be eligible for the CGT discount upon disposal of Units if the Units have been held for at least 12 months (excluding the acquisition and disposal dates) and the relevant requirements are satisfied (as explained above).

### Goods and Services Tax (GST)

The issue and redemption of Units should not be subject to GST. However, fees and expenses, such as management costs, incurred by a Fund would likely attract GST (at the rate of 10%). Given the nature of the activities of the Funds, a Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, for the majority of the expenses, a Reduced Input-Tax Credit (RITC) may be able to be claimed. The GST and expected RITC relating to fees and expenses is incorporated in the Management Cost for the relevant Fund.

### Stamp Duty

As the Units will be listed on Chi-X, stamp duty should not be payable in any State or Territory on the issue or transfer of a Unit. This is provided that all of the Units are quoted on Chi-X at all relevant times (including for example the date of issue of a Unit) and an investor does not, either alone or together with related persons, acquire 90% or more of the issued Units of a Fund.

### AMIT

This tax summary has been prepared on the basis that the trustee will elect to apply this new AMIT regime to the Funds. Whether a Fund qualifies as an AMIT each year will depend on a number of factors, some of which are outside the control of the Fund, such as the profile of the ultimate beneficiaries. If a Fund does not qualify as an AMIT and/or does not make an election to apply the AMIT provisions, the income tax implications for investors in the Fund may differ from that set out earlier in this tax summary. For example:

- The existing present entitlement to income method in Division 6 of the 1936 Act may apply rather than the attribution method under the AMIT provisions. In these circumstances, very broadly, it is intended that investors will be presently entitled to all of the income (including net taxable capital gains) of the Fund for each income year. Investors should include in their assessable income their share of the Fund's net taxable income, calculated by reference to the portion of the Fund's trust law income to which they are presently entitled.
- The investor may be required to make downward (but not upward) adjustments to the cost base of their unit holdings for the tax-deferred portion (if any) of a

distribution to an investor (i.e. those amounts that have been distributed to the investor but are not included in taxable income). If the asset's cost base is reduced below zero after one or more cumulative tax-deferred distributions, the investor may make a capital gain if they are paid amounts in excess of their cost base. An Australian investor may be entitled to the CGT discount in respect of this gain.

### Tax Reform

The expected tax implications of investing in a Fund described in this tax disclosure may change as a result of changes in the taxation laws and interpretation of them by the Courts and/or the Australian Tax Office.

Tax reform activity that affects trusts is generally ongoing. Investors should seek their own advice on the potential impact of any proposed legislative changes or judicial developments. The Responsible Entity will also closely monitor any impact or developments in this regard.

### Tax File Number ("TFN") or Australian Business Number ("ABN")

Holders will be requested by each Fund to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. It should be noted that there is no obligation to provide a TFN, however, Holders who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate. If this withholding tax applies it is noted that it is merely a collection mechanism and an investor may claim a credit in their annual income tax return in respect of the tax withheld.

### Other comments

In cases where Units are to be redeemed by a Holder that is an Australian resident for tax purposes, a Fund should generally not be required to withhold any amounts from the Withdrawal Amount paid on redemption of Units. Distributions to non-resident Holders (including on redemption) may have tax withheld by the Responsible Entity.

It is recommended that non-resident Holders should obtain independent taxation advice in relation to their own particular circumstances, before making any investment decision in relation to the Units.

## 9. GLOSSARY

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These definitions are provided to assist investors in understanding some of the expressions used in this PDS:

**AFSL** means an Australian Financial Services Licence issued by ASIC.

**AML/CTF Act** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), as supplemented, amended, varied or replaced from time to time.

**Applicant** means a person who has submitted an Application Form.

**Application** means an application for Units made under the Initial Offer.

**Chi-X Operating Rules** means:

- (a) the Chi-X Operating Rules and the Chi-X Operating Rules Procedures;
- (b) such other rules issued by Chi-X that govern the quotation of the Funds; and
- (c) such other rules issued by Chi-X that govern the transfer of the Funds, as amended from time to time.

**ASIC** means the Australian Securities and Investments Commission.

**AMIT** means the Attribution Managed Investment Trust tax regime.

**AUD** means the lawful currency of the Commonwealth of Australia.

**Authorised Participant** means a financial institution which is a participant under the Chi-X Operating Rules (or which has engaged a participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity and which is an Australian resident for tax purposes.

**Authorised Participant Agreement** means an agreement between the Responsible Entity and an Authorised Participant in relation to unit applications and redemptions.

**Australian Securities and Investment Commission (ASIC)** means the Australian Securities and Investments Commission or any Government Agency which replaces it or performs its functions.

**Australian Tax Office (ATO)** means the Australian Tax Office or any Government Agency which replaces it or performs its functions.

**Australian Transaction Reports and Analysis Centre (AUSTRAC)** means the Australian Transaction Reports and Analysis Centre or any Government Agency which replaces it or performs its functions.

**Benchmark, Benchmark Index or Index** means means the RBA Cash Rate.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.

**Chi-X** means Chi-X Australia Pty Ltd (ABN 47 129 584 667) or the financial market operated by CHI-X, as the context requires.

**Chi-X Operating Rules** means the Chi-X Operating Rules published by Chi-X, as supplemented, amended, varied or replaced from time to time.

**Chi-X Trading Day** means the day during which securities are traded on Chi-X. Weekends, and most (but not all) Public Holidays are not Chi-X Trading Days.

**Clearing House Electronic Sub Register System (CHES)** means the Clearing House Electronic Sub register System established and operated in accordance with the ACH Clearing Rules.

**Compliance Plan** means the arrangement that sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund.

**Constitution** means the constitution establishing the Fund dated 27 September 2018 as amended from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Custodian** means the entity that holds the assets of the Fund on behalf of the Responsible Entity.

**Daintree** means the Investment Manager, Daintree Capital Management Pty Limited, ACN: 610 989 912 ASFL No: 487489 (Daintree Capital)

**elInvest** means ETF Investments Australia Pty Ltd ABN 88 618 802 912 trading as 'elInvest Australia' who has been appointed by PIML as its corporate authorised representative.

**Active ETF, ETMF** means Exchange Traded Managed Fund.

**ESG** means Environmental, Social and Governance

**Foreign Account Tax Compliance Act (FATCA)** means the Foreign Account Tax Compliance Act, as supplemented, amended, varied or replaced from time to time.

**Fund** means either of ECAS; ECOR or EMAX.

**Government or Government Agency** means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

**GST** means goods and services tax.

**GST Act** means the A New Tax System (Goods and Services) Tax Act 1999 (Cth) as amended or varied from time to time.

**Holder** means the person recorded in the Register as the holder of a Unit (including persons jointly registered).

**Indicative Net Asset Value or iNAV** means the estimated NAV per Unit that will be published on the Website during the Chi-X Trading Day to take into account movements in security prices during that Chi-X Trading Day.

**Indicative Net Asset Value or iNAV** means the estimated NAV per Unit that will be published on the Website during the Chi-X Trading Day to take into account movements in security prices during that Chi-X Trading Day.

**Issue Price** means the price at which a Unit is issued and is determined in accordance with the Constitution.

## 9. GLOSSARY

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**Liabilities** means the liabilities of a Fund including any provision which the Responsible Entity decides should be taken into account in accordance with generally accepted accounting principles applicable in Australia in determining the liabilities of a Fund, but excluding any liabilities:

- (a) to applicants for Units in respect of application money or property in respect of which Units have not yet been issued; or
- (b) to Holders, arising by virtue of the right of Holders to request redemption of their Units or to participate in the distribution of the assets on termination of the Scheme.

**Liquid or Liquidity** has the same meaning as in the Corporations Act.

**Management Fee** means the fees and costs charged by the Fund for the management of an investment in the Units, as set out in section 6 of this PDS.

**Net Asset Value or NAV** means the value of the Fund's assets minus the value of its liabilities.

**Net Asset Value per Unit or NAV per Unit** means the Net Asset Value of the Fund divided by the number of Units on issue.

**Offer** means the invitation made to the public under this PDS.

**Operating Rules** means the Chi-X Operating Rules published by Chi-X.

**Perennial, PIML, Responsible Entity, we, our or us** means Perennial Investment Management Limited (ABN 13 108 747 637, AFS Licence 275101).

**Privacy Act 1988 (Cth)** means the Privacy Act 1988 (Cth) as supplemented, amended, varied or replaced from time to time.

**Product Disclosure Statement or PDS** means this Product Disclosure Statement as amended or supplemented from time to time.

**Register** means the register of holders kept by the Responsible Entity under the Corporations Act.

**Transaction Costs** means the costs incurred by the Responsible Entity and payable by a Holder in dealing with the assets of a Fund on behalf of a Holder, and include commissions, brokerage and slippage costs (for example, foreign exchange slippage costs, if any).

**Tax** means all kinds of taxes, duties, imposts, deductions, withholding taxes and charges imposed by a government including GST or any amount recovered from the trustee by way of reimbursement of GST or any amount included either expressly or impliedly in an amount paid or payable by the trustee on account of GST, together interest and penalties imposed or levied by a Government or Government agency.

**RITC** means reduced input tax credits.

**Unit or Units** means the securities on offer under this PDS.

**Unit Registry** means Link Market Services Limited ABN 54 083 214 537, being the entity that will operate the registry for the Units.

**Website** means [www.perennial.net.au](http://www.perennial.net.au) and [www.einvest.com.au](http://www.einvest.com.au).

**Withdrawal Amount** means the withdrawal price of Units, calculated in accordance with the Constitution.

**Valuation Time** means a time determined by the Responsible Entity as at which the Responsible Entity calculates the Net Asset Value.