

Perennial Value Shares Wholesale Trust

8 June 2012

Product Disclosure Statement (PDS)



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! This PDS provides a summary of significant information you need to make a decision about the Perennial Value Shares Wholesale Trust (the Trust). It includes references to important information which forms part of this PDS. These references begin with an exclamation mark '**!**'. This is important information that you should consider together with the PDS before making a decision to invest in the Trust.

The information in this PDS is general information only and does not take into account your objectives, personal financial situation or needs. We strongly recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

For a free printed copy of this PDS and the important information that forms part of the PDS, please contact a Client Services Representative on 1300 730 032 (Australia) or +612 8274 2700 (New Zealand).

Updated information

Information in this PDS is subject to change from time to time. Where changes are not materially adverse to investors, updated information about the Trust can be obtained anytime from Perennial's website www.perennial.net.au. A paper copy of updated information will be provided free of charge on request.

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

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

Contact details

Responsible Entity

IOOF Investment Management Limited

Registered Office

Level 6, 161 Collins Street
Melbourne VIC 3000

Phone 1300 730 032 (Australia)
+612 8274 2700 (NZ)

Investment Manager

Perennial Investment Partners Limited
ABN 59 087 901 620 AFSL 238763

Principal place of business

Level 24, 303 Collins Street
Melbourne VIC 3000

Phone +612 8274 2700

Website www.perennial.net.au

Client Services

Monday to Friday
8.30am to 5.30pm (Melbourne time)

Phone 1300 730 032 (Australia)
+612 8274 2700 (NZ)

Fax 1800 558 539 (Australia)
+613 8614 4492 (NZ)

Email invest@perennial.net.au

Postal address

GPO Box 264
Melbourne VIC 3001

1. About IOOF Investment Management Limited


IOOF Investment Management Limited (IIML) is part of the IOOF group. For more than 160 years, the IOOF group has been helping Australians secure their financial future. In that time, it has grown to become a leading provider of financial services and a trusted partner for financial advisers and their clients. At 31 December 2011, the IOOF group had more than \$100 billion in funds under management, administration, advice and supervision.

IIML is the responsible entity of the Trust and is responsible for the management and administration of the Trust. IIML is referred to as 'responsible entity', 'we', 'us' and 'our' throughout this document. IIML has appointed Perennial Investment Partners Limited ABN 59 087 901 620 AFSL 238763 (PIPL) to manage the investment assets of the Trust. PIPL has in turn appointed Perennial Value Management Limited ABN 22 090 879 904 AFSL 247293 (Perennial Value) to manage the investment assets of the Trust. PIPL and Perennial Value are collectively referred to in this document as 'Perennial'.

IIML, PIPL and Perennial Value are associates of IOOF Holdings Ltd ABN 49 100 103 722. An investment in the Trust does not represent an investment in, deposit or other liability of IIML, PIPL, Perennial Value, IOOF Holdings Ltd or any other related body corporate within the IOOF group.

Neither IIML, PIPL, Perennial Value nor any other related body corporate within the IOOF group, guarantees the performance of the Trust or the return of capital or income. Your investment in the Trust is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested.

IIML has appointed National Asset Servicing, an operating division of National Australia Bank Limited ABN 12 004 044 937, as the custodian of the assets for the Trust.

 You should read the important information about Perennial before making a decision. Go to page 3 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to Perennial in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

2. How the Trust works

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

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

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

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

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

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

Current unit prices for the Trust are available on the Perennial website www.perennial.net.au or by contacting a Client Services Representative on 1300 730 032 (or +612 8274 2700 if calling from New Zealand) or by emailing invest@perennial.net.au.

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

Applications and withdrawals

| | Amount \$ |
|--------------------------------------|--------------------|
| Minimum initial investment | 25,000 |
| Minimum additional investment amount | 5,000 ¹ |
| Minimum switch amount | 5,000 |
| Minimum withdrawal amount | 5,000 |
| Minimum investment balance | 25,000 |

1. Or \$200 for investments via a direct debit option.

Your initial investment and additional investments may be made by either cheque or BPAY^{®1}. The Biller Code of the Trust is 29686. Additional investments for established regular savings plans may also be made via a direct debit option.

As part of the withdrawal proceeds, unit holders will receive their share of any net income of the Trust for the period of time during which their units were on issue in the relevant distribution period. These proceeds are included in the unit price. Unit holders will also receive their share of the capital value of the Trust on withdrawal. Confirmation of your withdrawal will be sent to you usually within seven business days after your withdrawal request is finalised.

Where a valid application for an initial investment or additional investment, withdrawal or switch request is received at our head office before 2.00pm on a Melbourne business day, we will generally process the request using the unit price applying to the close of business that day.

We will generally process your request using the unit price applying to the following business day if we receive the request at our head office after 2.00pm on a Melbourne business day.

Restrictions on withdrawals

We will not satisfy a withdrawal request (including switches) if the Trust becomes illiquid (as defined under the Corporations Act 2001 (Corporations Act)). In certain circumstances we may suspend withdrawals.

Income distributions

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

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

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

You will be sent a statement detailing your income distributions.

 You should read the important information about how the Trust works before making a decision. Go to page 3 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to how the Trust works in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

Indirect investors

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

3. Benefits of investing in the Trust

The Trust is an actively managed portfolio of Australian listed companies that offer good value that aims to grow the value of your investment over the long term through a combination of capital growth and income. The significant benefits of investing in the Trust include:

- **Access to investment opportunities**

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

- **Professional management**


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

- **Right to income distributions (if any)**

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

- **Easy access to your information**

For the latest available information on the Trust, you can visit www.perennial.net.au, log on to Perennial Portfolio Online, contact a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand), email invest@perennial.net.au or speak to your financial adviser.

 You should read the important information about how we keep you informed before making a decision. Go to page 6 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to how we keep you informed in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

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

4. Risks of managed investment schemes

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

Risks of investing in the Trust

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

- **Market risk** – Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. Perennial's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.
- **Concentration risk** – When investments are concentrated in a smaller number of securities than the broader market index, the unit price of the Trust may be more volatile than the return of the benchmark. The Trust has both security and sector limits relative to the market index which aims to manage this risk by ensuring satisfactory diversification.
- **Company or security-specific risk** – A number of factors can adversely affect the value of a specific security in which the Trust invests and therefore impact the Trust. Perennial's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.
- **Interest rate risk** – Changes in interest rates can influence the value and returns of investments. Perennial's careful analysis of detailed research in combination with diversified holdings, aims to minimise this risk.
- **Credit risk** – A counterparty's failure to meet its contractual obligations could result in a financial loss to the Trust. Perennial seeks to reduce this risk, by ensuring that a diversified portfolio of securities is held in the Trust.
- **Currency risk** – Trusts investing in international markets are exposed to changes in exchange rates. The possibility that foreign currencies may fall in value relative to the Australian dollar can have an adverse impact on investment returns. This risk may be partially or fully offset by hedging using forward exchange contracts or appropriate derivative instruments.
- **Liquidity risk** – If a security can not be bought or sold quickly enough to reduce or minimise a potential loss, the Trust may experience difficulty satisfying commitments associated with financial instruments. The risk management guidelines adopted by Perennial are designed to minimise liquidity risk through applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.
- **Derivative risk** – The investment managers generally use derivatives to control the various risks associated with investing by modifying the exposure to particular assets, asset classes or currencies. Most commonly, derivatives are used for hedging and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements over time. Derivatives are also frequently used by the investment managers as an alternative to investing in physical assets because of their cost and liquidity efficiency. Gains or losses can result from investments in derivatives. In addition to any risk associated with the underlying asset (or index) for which a derivative is valued, derivative prices are affected by other factors including: market liquidity; interest rates; and counterparty risk.
- **Investment manager risk** – Is the risk that the Trust's investment objective will not be achieved and/or it may underperform the benchmark or may underperform other investment managers in the same asset class. The risk is reduced by the active management of the Trust's assets and IIML monitoring Perennial.
- **Responsible entity risk** – Is the risk that IIML, the responsible entity for the Trust, does not properly discharge its duties in the management of the Trust. We aim to keep responsible entity risk to a minimum by monitoring the Trust, acting in your best interests and ensuring compliance with legislative requirements.
- **Other risks** – Managed investment schemes are also subject to operational risk in that circumstances beyond our control may prevent us from managing the Trust in accordance with its investment strategy. These circumstances may include strikes or industrial disputes, fires, war, civil disturbances, terrorist acts, state emergencies and epidemics.

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

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

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

5. How we invest your money

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

| Investment return objective | The aims of the Trust are to grow the value of your investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis. | | | | | | |
|--|--|--|------------------------------|---------------------|--------|------|------|
| Minimum suggested investment timeframe | Five years | | | | | | |
| Suitable investor profile | The Trust may be suitable for investors with an investment horizon of five or more years, who are seeking exposure to a portfolio of Australian 'value oriented' companies. | | | | | | |
| Asset classes and asset allocation ranges | <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Investment range %</th> </tr> </thead> <tbody> <tr> <td>Australian equities</td> <td style="text-align: right;">90-100</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">0-10</td> </tr> </tbody> </table> <p>The Trust aims to be fully invested at all times, with a cash exposure not exceeding 10% for any length of time.</p> | | Investment range % | Australian equities | 90-100 | Cash | 0-10 |
| | Investment range % | | | | | | |
| Australian equities | 90-100 | | | | | | |
| Cash | 0-10 | | | | | | |
| Benchmark | S&P/ASX 300 Accumulation Index. | | | | | | |
| Description of Trust | <p>The Trust invests in a range of companies listed (or soon to be listed) on the ASX which Perennial Value, the investment manager, believes have sustainable operations and whose share prices offer good value.</p> <p>The cornerstone of this approach is a strong emphasis on company research. The aim is to develop a detailed understanding of each company before committing investors' funds.</p> <p>The portfolio will hold in the range of 20 to 70 stocks.</p> <p>The Trust is authorised to utilise derivative instruments for risk management purposes, subject to the specific restriction that they cannot be used to gear portfolio exposure.</p> <p>For reasons of investment efficiency, the Trust may gain its exposure by holding units in other Perennial Trusts and/or through direct investment holdings.</p> | | | | | | |
| Risk level | <p>High</p> <p>High risk of short-term capital loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested timeframe.</p> | | | | | | |
| Trust performance | For up to date performance and asset allocation information, please visit www.perennial.net.au and click on 'Product Performance'. | | | | | | |
| Income distribution frequency | Half yearly | | | | | | |

Labour standards, environmental, social and ethical considerations

Perennial takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising investments. As a signatory to the United Nations-backed Principles for Responsible Investment, Perennial has incorporated environmental, social and corporate governance (ESG) principles into its investment processes.

Perennial believes that a holistic view of investments including consideration of ESG factors will promote a well rounded approach to investing with better return outcomes for clients. In making investment, retention and divestment decisions, Perennial may look at a range of ESG standards and use a range of tools and methodologies to assist with decision-making. Generally speaking, Perennial does not have a predetermined view on which ESG standards to apply or a fixed methodology or weightings for taking ESG standards into account when selecting, retaining and realising investments of the Trust.

Perennial may review the Trust's investments, on a case by case basis, in light of any ESG issues researched and raised, and may take steps to realise, reduce or cease making further investments in organisations or securities which are negatively affected by ESG considerations. For further information, please visit the ESG section of Perennial's website www.perennial.net.au.

Changes to Trust details

We have the right to close or terminate the Trust and make changes to the Trust including the investment return objective, the benchmark, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. We will inform investors of any material change to the Trust's details via Perennial's website www.perennial.net.au, in the next regular communication or as otherwise required by law.

6. Fees and costs

| | |
|-------------------------|--|
| Did you know? | <p>Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.</p> <p>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).</p> <p>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 (being IIML) or your financial adviser.</p> |
| To find out more | To find out more, or see the impact of the fees based on your own circumstances, the ASIC website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options. |

The calculator can also be used to calculate the effect of fees and costs on your investment.

This section provides summary information about the main fees and costs that you may be charged for the Trust. The fees and costs charged by the Trust may be deducted from your account, from the returns on your investment or from the Trust assets as a whole.

You should read all of the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs with those of other managed investment funds.

| Type of fee or cost | Amount |
|--|---------------------------|
| Fees when your money moves in or out of the Trust | |
| Establishment fee | Nil |
| Contribution fee | Nil |
| Withdrawal fee | Nil |
| Termination fee | Nil |
| Management costs | |
| The fees and costs for managing your investment | 0.92% p.a. ^{1,2} |

1. This fee includes the investment management fee and expense recoveries.
2. This fee may be negotiable with wholesale clients.

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

Example

| Perennial Value Shares Wholesale Trust | | Balance of \$50,000 with total contributions of \$5,000 during the year. |
|--|------------|--|
| Contribution fees | Nil | For every \$5,000 you put in, you will be charged \$0. |
| PLUS management costs | 0.92% p.a. | AND for every \$50,000 you have in the Trust you will be charged \$460.00 each year. |
| EQUALS cost of Trust | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you will be charged a fee of \$460.00³ . What it costs you will depend on the fees you negotiate with your fund (being IIML) or financial adviser. |

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



You should read the important information about fees and costs before making a decision. Go to page 7 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to fees and costs in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

7. How managed investment schemes are taxed

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

The taxation implications from an investment in the Trust can be quite complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units as a long-term investment or for short-term trading purposes. The following is a brief summary of taxation information relating to Australian tax residents who hold their Trust units on capital account for income tax purposes:

- Registered managed investment schemes do not pay the tax liability on behalf of Australian resident investors.
- As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Trust. In normal circumstances, you should expect that some income and/or capital gains will be generated each year.

 You should read the important information about taxation before making a decision. Go to page 9 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to taxation in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

8. How to apply

| | |
|---|--|
| A | Read this PDS together with the Perennial Wholesale Trusts Reference Guide available from www.perennial.net.au or by calling 1300 730 032 (+612 8274 2700 if calling from New Zealand). |
| B | Eligible direct investors should complete all sections of the Perennial Trusts application form available from www.perennial.net.au or by calling 1300 730 032 (+612 8274 2700 if calling from New Zealand). We need to collect this information to comply with Anti-Money Laundering and Counter-Terrorism Financing Legislation. |
| C | Read and sign the declaration in the Perennial Trusts application form. |
| D | Send your Perennial Trusts application form together with your supporting documents and cheque for your initial investment to us. We recommend that you keep copies for future reference. For an initial investment via BPAY please contact a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand). |

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

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

Cooling off

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

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

Complaints

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1300 730 032 (+612 8274 2700 if calling from New Zealand) or write to Manager, Customer Care, IOOF Investment Management Limited, GPO Box 264, Melbourne, VIC 3001.

Where possible, concerns will be resolved immediately. If further investigation is required, our Customer Care team will acknowledge your complaint in writing and will consider and deal with your 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 Financial Ombudsman Service Limited (FOS) by calling 1300 780 808, or by writing to FOS at GPO Box 3, Melbourne, VIC 3001

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

 You should read the important information about privacy and investment by New Zealand investors before making a decision. Go to page 11 of the Perennial Wholesale Trusts Reference Guide located at www.perennial.net.au/wholesalereferenceguide.pdf. The material relating to privacy and investment by New Zealand investors in the Perennial Wholesale Trusts Reference Guide may change between the time when you read this Statement and the day when you acquire the product.

Foreign Account Tax Compliance Act (FATCA)

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

Perennial Wholesale Trusts

2 April 2013

Reference Guide
Version 2



Contact details

Responsible Entity

IOOF Investment Management Limited

Registered Office

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Melbourne VIC 3000

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Investment Manager

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Principal place of business

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Website www.perennial.net.au

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Email invest@perennial.net.au

Postal address

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Information in this Reference Guide forms part of the Product Disclosure Statements for the Perennial Wholesale Trusts. As at the date of this Reference Guide, there are 10 Perennial Wholesale Trusts.

Issued by
IOOF Investment Management Limited
ABN 53 006 695 021 AFSL 230524

This Reference Guide is issued by IOOF Investment Management Limited ABN 53 006 695 021 AFSL 230524 ('IIML', 'we', 'our', 'us' or 'responsible entity'). Information in this Reference Guide forms part of the following Product Disclosure Statements (PDS) for the following Perennial Wholesale Trusts (collectively the 'Trusts' and individually the 'Trust').

| Name of Trust | ABN | ARSN | APIR Code | PDS dated |
|--|----------------|-------------|-----------|-------------|
| Perennial Value | | | | |
| Perennial Value Shares Wholesale Trust | 56 228 767 804 | 096 451 900 | IOF0206AU | 8 June 2012 |
| Perennial Growth Management | | | | |
| Perennial Growth Shares Wholesale Trust | 33 475 841 774 | 087 718 910 | IOF0048AU | 8 June 2012 |
| Perennial Fixed Interest | | | | |
| Perennial Cash Enhanced Wholesale Trust | 50 044 708 782 | 087 720 401 | IOF0047AU | 8 June 2012 |
| Perennial Fixed Interest Wholesale Trust | 99 499 567 359 | 087 719 739 | IOF0046AU | 8 June 2012 |
| Perennial International Equities Management | | | | |
| Perennial Asian Shares Wholesale Trust | 83 145 616 894 | 096 451 393 | IOF0203AU | 8 June 2012 |
| Perennial International Shares Wholesale Trust | 20 569 884 719 | 087 719 515 | IOF0045AU | 8 June 2012 |
| Perennial Real Estate Investments | | | | |
| Perennial Australian Property Wholesale Trust | 68 893 663 314 | 087 719 917 | IOF0044AU | 8 June 2012 |
| Perennial Hedged Global Property Wholesale Trust | 79 854 967 049 | 118 190 542 | IOF0081AU | 8 June 2012 |
| Multi-Boutique Products | | | | |
| Perennial Balanced Wholesale Trust | 19 033 281 660 | 087 718 349 | IOF0104AU | 8 June 2012 |
| Perennial Capital Stable Wholesale Trust | 62 723 673 911 | 087 718 545 | IOF0100AU | 8 June 2012 |

You should read this information together with the relevant PDS before making a decision to invest in the Trust(s).

For a free printed copy of this Reference Guide, please contact a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand).

The information in this Reference Guide is general information only and does not take into account your objectives, personal financial situation or needs. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs. We strongly recommend that you seek professional advice from a financial adviser before deciding to invest in the Trust(s).

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

Perennial Investment Partners Limited

Established 1999

Perennial Investment Partners Limited ABN 59 087 901 620 AFSL 238763 (PIPL) is a specialist, active investment management company. Formed in 1999 through a joint venture between senior investment professionals and IOOF, Perennial manages approximately \$18 billion (as at 28 February 2013) on behalf of institutional and retail clients.

Perennial operates as a suite of five investment management boutiques. Each boutique specialises in the investment management of one of the following asset classes and styles:

- Perennial Value Management Limited (Perennial Value)
Value Australian shares
- Perennial Growth Management Pty Ltd (Perennial Growth Management)
Growth Australian shares
- Perennial Fixed Interest Partners Pty Ltd (Perennial Fixed Interest)
Fixed interest and cash
- Perennial International Equities Management Team
International shares (global and Asian shares)
- Perennial Real Estate Investments Pty Limited (Perennial Real Estate Investments)
Global and domestic Australian listed property.

PIPL, Perennial Value, Perennial Growth Management, Perennial Real Estate Investments, Perennial Fixed Interest and Perennial International Equities Management are collectively referred to as 'Perennial' in this Reference Guide.

Perennial also combines these specialities to offer a range of diversified investment products.

Perennial's sole focus is to deliver excellence in fund management through equity ownership and the alignment of interests between key investment management staff and its clients.

Related party contracts

IIML has appointed PIPL as investment manager of the Perennial Trusts. PIPL is part of the IOOF group of companies. In consideration of PIPL providing these services, PIPL is entitled to management fees paid by IIML. These fees are not an additional charge to investors.

How the Trust works

How the Trusts are valued

All assets within the Trusts are usually valued every business day. More frequent valuations are permitted under the constitutions and we may revalue a Trust's assets more frequently if it is considered appropriate.

We may also revalue a Trust less frequently in certain circumstances.

The gross asset value of each Trust equals the market value of the assets. The net asset value of each Trust is obtained by deducting any liabilities of the Trust from the gross asset value of the Trust.

Constitution

Each Trust is governed by a constitution. The constitution binds the responsible entity and the unit holders of that Trust. The constitution, together with the Corporations Act 2001 (Corporations Act), set out the conditions under which each Trust operates and the rights, responsibilities and duties of the responsible entity in respect of each Trust. In particular, the authorised investment and valuation procedures for each Trust, our right to retire and our ability to charge fees and recover expenses are included in the constitutions of the Trusts.

The responsible entity may alter the constitution of any Trust in certain circumstances if the responsible entity reasonably considers that the change will not adversely affect unit holders' rights. Otherwise, the responsible entity must obtain unit holders' approval by special resolution at a meeting convened for that purpose.

Each Trust may be terminated in certain circumstances stated in its constitution, including on exercise of the responsible entity's discretion to terminate the Trust. Each Trust may also be terminated and wound up, as provided in the Corporations Act.

The constitutions of the Trusts contain provisions limiting our need to compensate unit holders. Generally, if we comply with our duties, we will not be required to compensate unit holders for any loss unless the law requires us to. The constitutions of the Trusts also contain provisions regarding the responsible entity's liabilities and rights for reimbursement out of the Trusts. These provisions include that:

- the responsible entity is not liable for any loss unless it fails to comply with its duties under the Corporations Act;
- the responsible entity can be reimbursed for liabilities and expenses incurred in connection with the proper performance of its duties; and
- the responsible entity is not liable to any unit holder when acting in good faith and acting in reliance on professional advice.

In the case of the Perennial Hedged Global Property Wholesale Trust, the responsible entity may transfer assets of the Trust to the unit holder rather than pay cash in satisfaction of all or part of a withdrawal request, subject to certain conditions set out in the constitution for the Trust. This may be subject to the conditions that the valuation of these assets be calculated within one month before the date of the proposed transfer, and that the costs associated with the transfer of assets be paid by the unit holder or be deducted from the amount due to the unit holder.

The constitutions of the Trusts may be inspected at IIML's registered office on a Melbourne business day or we can provide you with a copy on request.

Unit holders' rights

The rights of a unit holder in a Trust are outlined in the relevant constitution for the Trust. The rights of a unit holder in a Trust are also affected by the Corporations Act and exemptions and declarations issued by ASIC. Some of these rights include the right to:

- withdraw units (please refer to page 5 for circumstances where the responsible entity can refuse a withdrawal request);
- receive income and capital distributions;
- transfer units, noting that the responsible entity may decline to register any transfer of units in a Trust if any applicable stamp duty payable has not been paid. In the case of the Perennial Hedged Global Property Wholesale Trust, the responsible entity may refuse any transfer request, without giving reasons, subject to the Corporations Act requirements;
- upon the death of a unit holder, pass ownership of units to a surviving joint holder or where held individually, to the individual's legal personal representative on behalf of their estate;
- participate in income distributions upon termination or winding up of a Trust after the Trust's liabilities and expenses have been discharged; and
- call, attend and vote at unit holder meetings.

Each unit a unit holder holds in each Trust gives a unit holder a beneficial interest in that Trust as a whole, but not in any particular asset of the Trust. Holding units in a Trust does not give a unit holder the right to participate in the management or operation of that Trust.

Each unit in a Trust is of equal value and identical rights are attached to all units.

Limitation of unit holders' liability

The liability of unit holders is limited by the constitution of each Trust to the amount, if any, which remains unpaid in relation to their investment. The constitution provides that unit holders shall not be under any personal obligation to indemnify the responsible entity (or its creditors) in respect of the liabilities of the responsible entity in relation to the Trust. However, the responsible entity cannot give an absolute assurance that a unit holder's liability is limited in all circumstances as this issue has not been finally determined in court.

Unit prices

Impact of investing just before the end of a distribution period

After a distribution is paid, the unit price usually falls by an amount similar to that of the distribution per unit. This means that if you invest just before a distribution, the unit price may already include income that you would be entitled to receive at the distribution date. Consequently, by investing just before a distribution, you may have some of your capital returned as income. This could affect your taxation position and we recommend you seek professional taxation advice.

Applications

Applying for units

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

For an application to be valid, it must be correctly completed and it must comply with the designated minimum investment amounts referred to in the relevant PDS and be appropriately signed by the applicant(s). IIML may, however, at its discretion, accept amounts less than the minimum initial investment amounts.

If, for any reason, we are unable to process your application (for example, the application form is incomplete or incorrectly completed or we are not satisfied that we have received the necessary proof of identification requirements to meet our obligations under AML/CTF law), the application monies will be held by us in a non-interest bearing trust account for up to 30 days (while we endeavour to verify your identification information or obtain any necessary outstanding information) after which we will return the application monies to you.

Switches

You may switch from one Perennial Trust to another Trust at any time. A switch operates as a withdrawal of units in one Trust and the investment of units in another and therefore may have taxation implications. Please contact a licensed financial or taxation adviser for further information.

There is no switching fee applicable as at the date of this Reference Guide. However, a buy/sell spread or a contribution fee may apply to the relevant Trust(s) at the time of the switch. Before making a decision to switch, you should read the relevant PDS. For more information, please refer to the Perennial Trusts application form.

Withdrawals

The following text contains further information on restrictions on withdrawals and should be read in conjunction with the relevant PDS.

There may be circumstances where your ability to withdraw from a Trust is restricted. In certain circumstances we may suspend withdrawals. These circumstances include for example, where it is impracticable to value the relevant Trust because of an emergency or trading restriction in a country that the Trust invests in or if the stock exchange on which the investment of the Trust is listed closes.

We will not satisfy a withdrawal request (including switches) if the Trust becomes illiquid (as defined under the Corporations Act). If a Trust is illiquid, withdrawals from that Trust will only be possible if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer. However, if we do, you are only able to withdraw your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy withdrawal requests, the requests will be satisfied proportionately amongst those investors wishing to withdraw from the Trust. Under the Corporations Act, a Trust is illiquid if it has less than 80% liquid assets (generally cash and marketable securities).

The constitution of each Trust also contains specific provisions that provide us with powers in relation to withdrawals. The constitutions of the Trusts may be inspected at IIML's registered office on a Melbourne business day or we can provide you with a copy on request.

If a withdrawal request results in a holding in a Trust falling below the required minimum holding, we may redeem your entire holding in the Trust.

In the case of the Perennial Hedged Global Property Wholesale Trust:

- if we increase the required minimum holding amount, we may, after giving 30 days prior written notice, redeem holdings falling below that minimum amount at our discretion; and
- we may also compulsorily redeem any of your units at any time at our discretion.

Income distributions

How you receive income from your investment

The type of income you receive from your investment depends on the underlying asset classes within the relevant Trust. Income (such as interest, dividends and realised capital gains) from investments in a Trust will be paid to you via income distributions.

Where the investment activities of a Trust result in a net revenue loss (including any carried forward revenue losses from a prior period), no income distribution will be made in the period. Losses will be carried forward to be offset against future distributable income of the Trust.

Where net capital profits are realised, they may be distributed each period or alternatively, partly or wholly held over until the period ending 30 June each year. If held over, their value would be reflected in the unit price.

How we keep you informed

For the most up to date information on your investment with Perennial visit www.perennial.net.au.

At Perennial's website you can:

- Access PDS documents, reference guides and the annual financial reports for the Trust(s).
- Download application forms, transfer forms and other standard administration forms.
- Monitor unit prices, investment performance, asset allocation and changes to the Trust(s).
- Read the latest views and opinions of our investment managers and investment strategist.

You can register to be on our mailing list for our monthly newsletters and investment information by emailing invest@perennial.net.au.

Perennial Portfolio Online

You can view your account information online, via the Perennial Portfolio Online area of the Perennial website, www.perennial.net.au. Information available on Perennial Portfolio Online includes:

- A portfolio summary of the Trust(s) you are invested in, the number of units, unit price and the current balance of your account(s).
- Your transaction history including initial investment, additional investments, income distributions and withdrawals.
- An online graphing tool to see how your investment has performed.
- Personalised reports including your portfolio history, transaction details, asset allocation and portfolio valuation.

Registering for Perennial Portfolio Online

You can access Perennial Portfolio Online in two ways:

1. By ticking the box on the application form where requested – your registration details will be automatically sent to you. Please ensure that you provide us with an email address, your date of birth and a security password in order to process your request.
2. Alternatively, you can register via the home page of the Perennial website, www.perennial.net.au. Individual investors will be asked to complete an online registration form. All other investors will need to print the registration form and send this to a Client Services Representative, prior to being given access to Perennial Portfolio Online.

Once the request has been successfully processed, you will be emailed a confirmation that contains a link to Perennial Portfolio Online. This link allows you to register a password and gain access to your account. Please keep this password in a safe place.

Please contact a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand), if you require assistance with the registration process.

Confirmation statement

A statement of confirmation will be sent to you for your initial investment, as well as any additional investments, (excluding direct debit requests) withdrawals and changes that you make to your account (such as change in address, distribution instructions).

Transaction statement

You will receive a transaction statement on a quarterly basis. The transaction statement will provide you with the total value of your investment as at the end of that period, including any switches, withdrawals, investments and distributions received. Along with the transaction statement, you will receive a short commentary and performance summary of the Trust.

Annual taxation statement

After making any distribution for the period ended 30 June each year, an annual taxation statement will be forwarded to you.

Distribution statement

A distribution statement will be sent to you in the month following the end of a distribution period, detailing your income distribution and current balance.

Financial report

The annual financial report for the Trust(s) you are invested in, detailing the financial performance of the Trust(s) for the financial year ending 30 June, can be downloaded from www.perennial.net.au after 30 September each year.

Continuous disclosure

The responsible entity will comply with the continuous disclosure requirements for disclosing entities under the Corporations Act. This means that copies of documents the responsible entity lodges with ASIC may be obtained from or inspected at an ASIC office.

The responsible entity will also send you free, upon request, copies of:

- The most recent annual financial report for the Trust(s) lodged with ASIC.
- Any half year financial reports for the Trust(s) lodged with ASIC after the lodgement of the most recent annual financial report and before the date of the relevant PDS.
- Any continuous disclosure notices lodged for the Trust(s) after the lodgement of that most recent annual financial report and before the date of the relevant PDS.

Fees and costs

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Trust(s) as a whole. Information in relation to Taxation is set out on page 9 of this Reference Guide.

You should read all of the information about fees and costs because it is important to understand their impact on your investment. This information should be read in conjunction with the relevant PDS.

| Type of fee or cost ¹ | Amount | How and when paid |
|---|---|--|
| Fees when your money moves in or out of a Trust | | |
| Establishment fee The fee to open your investment. | Nil. | Not applicable. |
| Contribution fee The fee on each amount contributed to your investment. | Nil. | Not applicable. |
| Withdrawal fee The fee on each amount you take out of your investment. | Nil. | Not applicable. |
| Termination fee The fee to close your investment. | Nil. | Not applicable. |
| Management costs | | |
| The fees and costs for managing your investment. | Investment management fee This fee varies between 0.41% p.a. and 1.33% p.a. depending on the Trust. Refer to the table on page 8 for the investment management fee relating to each Trust. Currently, we do not separately recover expenses from the Trust(s). Instead, we bear those expenses out of the management costs of the Trusts at no additional cost to you. If a Trust incurs unusual or non-recurrent expenses (for example, for unit holder meetings) we would normally recover those expenses out of the relevant Trust. | This fee is calculated on the net asset value of each Trust and is deducted from the assets of each Trust. This fee is not directly deducted from your account. This fee is accrued daily and paid monthly and is incorporated into the daily unit price of each Trust. |
| Service fees | | |
| Switching fee² The fee for changing between Trusts. | Nil. | Not applicable. |

1. Fees and costs may be negotiated – please refer to ‘Differential fees’ on page 8 for further information.

2. When money moves in or out of the Trusts, you may incur a buy/sell spread which is included in the unit price of the Trusts you choose. For more information on buy/sell spreads, please refer to page 9 of this Reference Guide.

| Name of Trust | Management costs % p.a. | Performance fees | Estimated buy spread | Estimated sell spread |
|--|-------------------------|------------------|----------------------|-----------------------|
| Perennial Value | | | | |
| Perennial Value Shares Wholesale Trust | 0.92 | Nil | 0.30 | 0.30 |
| Perennial Growth Management | | | | |
| Perennial Growth Shares Wholesale Trust | 0.92 | Nil | 0.30 | 0.30 |
| Perennial Fixed Interest | | | | |
| Perennial Cash Enhanced Wholesale Trust | 0.41 | Nil | Nil | Nil |
| Perennial Fixed Interest Wholesale Trust | 0.47 | Nil | Nil | Nil |
| Perennial International Equities Management | | | | |
| Perennial Asian Shares Wholesale Trust | 1.33 | Nil | 0.50 | 0.50 |
| Perennial International Shares Wholesale Trust | 1.23 | Nil | 0.40 | 0.40 |
| Perennial Real Estate Investments | | | | |
| Perennial Australian Property Wholesale Trust | 0.92 | Nil | 0.30 | 0.30 |
| Perennial Hedged Global Property Wholesale Trust | 1.05 | Nil | 0.35 | 0.35 |
| Multi-Boutique Products | | | | |
| Perennial Balanced Wholesale Trust | 0.82 | Nil | 0.25 | 0.25 |
| Perennial Capital Stable Wholesale Trust | 0.72 | Nil | 0.15 | 0.15 |

Performance fees

The Trusts in the Perennial Wholesale Trusts range do not apply a performance fee. However, if you switch to a Trust in the Perennial Institutional Investment Trusts range, a performance fee may be payable. You should refer to the fees in the relevant PDS.

Indirect investors – additional master trust or wrap account fees

For investors accessing the Trust through a master trust or wrap account, additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap account operator.

Incidental fees and costs

Standard government fees, duties and bank charges may also apply to your investments and withdrawals including dishonour fees and conversion costs.

The constitutions and fee changes

The constitution governing each Trust allows for higher fees to be charged than those detailed in the relevant PDS and this Reference Guide and specifies the circumstances in which additional fees may be charged, such as:

- A maximum contribution fee of 5% of the application (investment) amounts (not currently charged).
- A maximum withdrawal fee of 5% of the exit price payable on the withdrawal of units (not currently charged).
- A maximum management fee (excluding ongoing recoverable operating expenses) of up to 2% p.a. of the total gross asset value of the Trust's property in the case of the:
 - Perennial Balanced Wholesale Trust;
 - Perennial Capital Stable Wholesale Trust;

- Perennial International Shares Wholesale Trust;
- Perennial Growth Shares Wholesale Trust;–
- Perennial Australian Property Wholesale Trust;
- Perennial Cash Enhanced Wholesale Trust; and
- Perennial Fixed Interest Wholesale Trust.
- A maximum management fee (excluding ongoing recoverable operating expenses) of up to 3% p.a. of the total gross asset value of the Trust's property in the case of the:
 - Perennial Asian Shares Wholesale Trust; and
 - Perennial Value Shares Wholesale Trust.
- A maximum management fee (excluding ongoing recoverable operating expenses) of up to 5% p.a. of the total gross asset value of the Trust's property in the case of the Perennial Hedged Global Property Wholesale Trust.

The constitutions also allow us to be reimbursed for certain ongoing expenses incurred in the operation of the Trusts including, but not limited to:

- Maintaining the investor register.
- Accounting expenses.
- Auditing.
- Legal fees incurred in the discharge of our duties.

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

Differential fees

The management cost of the Trusts may be negotiated with persons who qualify as wholesale clients within the meaning of the Corporations Act, such as sophisticated or professional investors. In negotiating such fees, we will take into consideration our obligations under the Corporations Act. Please contact a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand) for further details.

Switching fee

You may switch from one Perennial Trust to another Trust at any time. A switch operates as a withdrawal of units in one Trust and the investment of units in another and therefore may have taxation implications. Please contact a licensed financial or taxation adviser for further information.

There is no switching fee applicable as at the date of this Reference Guide. However, a buy/sell spread or a contribution fee may apply to the relevant Trust at the time of the switch. For more information, please refer to the Perennial Trusts application form.

Interfunding

Where a Trust invests in other Perennial Trusts we will ensure there is no doubling-up of management costs.

Buy/Sell spread

The difference between the entry price and the exit price of a trust is known as a buy/sell spread. The buy/sell spread represents an apportionment of transaction costs incurred by a trust in purchasing and disposing of its investments. It is an adjustment determined by the responsible entity to take into account the costs incurred when buying and selling the underlying securities in each trust (for example, transaction costs such as brokerage and any clearing and settlement costs and stamp duty).

If you invest in a trust that charges a buy/sell spread, it will be an additional cost to you, but is included in the unit price of the trust and not charged separately. It is not a cost that is paid to the responsible entity.

The estimated buy/sell spread for each Trust is outlined in the relevant PDS and on page 8 of this Reference Guide. However, in circumstances where the responsible entity determines that unit holders of a Trust are not being treated equitably (for example, in stressed and dislocated markets), the buy/sell spread may be higher than our estimate. From time to time, we may vary the buy/sell spread without notice to reflect changing circumstances. Any revised spread will be applied uniformly to transacting investors while that spread applies.

To obtain an indication of the current buy/sell spreads that may be applicable to an application in or redemption from a Trust, please visit www.perennial.net.au/performance.

Adviser commissions

Fees paid to financial advisers and other persons

We do not pay commissions to financial advisers.

Alternative remuneration register

IIML maintains an Alternative Remuneration Register in accordance with the FSC/FPA Industry Code of Practice, which outlines certain alternative forms of remuneration that are paid and received by us. You may view a copy of the register by contacting us.

Platform, dealer group and other payments

Certain dealer groups, of which your adviser may be a part, platforms, and other parties may receive payments from us or Perennial.

The government has passed legislation that means that certain payments by product issuers will not generally be permitted after 1 July 2013. Payments will no longer be made where not permitted by law.

For more information on fees and costs

If you would like to better understand how our fee structure may impact your investment in one of the Perennial Trusts, we recommend that you speak to your financial adviser or visit the ASIC website at www.moneysmart.gov.au, where a fee calculator is available to help you compare the fees of different managed investment products.

Taxation

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

The taxation implications of investing in the Perennial Trusts can be complex and depend on a number of factors, including whether you are a resident or non-resident of Australia for taxation purposes and whether you hold the units on capital account or revenue account. The following is a brief summary of taxation information for investors who are Australian tax residents who hold their units in the Trust(s) on capital account for income tax purposes:

- Registered managed investment schemes do not pay the tax liability on behalf of Australian resident investors.
- You will generally be assessed and required to pay tax on your share of the income and capital gains of the Trust(s) to which you are presently entitled. In normal circumstances, you should expect the Trust(s) to derive income and/or capital gains each year.

Income of the Trust(s)

Each Trust has been established as an Australian resident unit trust. It is intended that investors will be presently entitled to all of the income from a Trust for each financial year such that no taxation liability will accrue to IIML. However, a Trust may be required to withhold tax on income distributed to unit holders who are non-residents of Australia or are under a legal disability (e.g. under the age of 18).

Each Trust's investments and activities are likely to give rise to income, dividends, capital gains and losses.

The income of a Trust may be affected by the Taxation of Financial Arrangements rules. If so, the timing of when such income is brought to account for tax purposes may be different to the amount distributed to you, so that you may be required to pay on income that has not yet been distributed to you.

The Federal Government has announced legislative amendments about the taxation of Managed Investment Trusts (MITs), including an attribution system of income where IIML allocates income to investors on a fair and reasonable basis, the ability to carry forward minor differences between income distributed and a trust's actual income, and to deem all MITs to be fixed trusts. If these amendments are enacted, they may impact the way in which investors are taxed in the future. The Federal Government proposes to introduce these amendments with effect from 1 July 2014.

Taxation of Australian Resident investors

Investors are generally subject to tax on their share of the income from a Trust to which they are presently entitled in each financial year. This will also include amounts that are reinvested in a Trust. The way in which investors are taxed will depend on the character of the income they receive (for example, franked dividends to which franking credits may attach, capital gains, foreign income to which foreign income tax offsets may attach, interest income).

We will provide you with an annual taxation statement after 30 June each year. The annual taxation statement will outline the tax treatment of the distributions you have received in that income year, including any foreign income tax offsets and franking credit entitlements.

To the extent that an investor's share of the income of a Trust is attributable to a capital gain made by a Trust, the investor will include the capital gain in their assessable income. Certain investors may be entitled to apply the relevant Capital Gains Tax (CGT) discount to work out the net capital gain to include in their assessable income.

Withdrawals from a Trust and Disposal of Units

Withdrawal or disposal of a unit in a Trust is the disposal or cancellation of a CGT asset by an investor and a CGT event for tax purposes. To the extent that the proceeds exceed the cost base on the unit, you will make a capital gain. However, if the proceeds are less than your reduced cost base, you will make a capital loss. Generally, a capital loss can only be used to offset against capital gains derived in the current or a future tax year.

Investors may be entitled to a 50% CGT discount (where the investor is an individual or trust) or a 33.33% CGT discount (where the investor is a complying superannuation fund) if the investor has held the unit for at least 12 months.

Gains and losses realised by an investor who holds their units on revenue account will be taxable as ordinary income or an allowable deduction, as the case may be, and will not qualify for the CGT discount.

Non-resident individual unit holders

This taxation summary is only for investors who are residents of Australia for tax purposes. If you are a non-resident, you should seek independent professional taxation advice before investing in the Perennial Trusts.

The Trust(s) may be required to withhold tax on part or all of the distributions made to non-resident investors.

Goods and Services Tax (GST)

Unless otherwise stated, the fees quoted in the PDS and the Reference Guide are inclusive of GST less Reduced Input Tax Credits. The benefits of any tax deductions, including additional input tax credits for GST, are passed on to investors in the form of reduced fees or costs.

1. Under AML/CTF Law, disclosure of an ABN is required for those individual investors who are a sole trader. Please refer to Step 4 of the application form for further information.

Tax File Numbers and Australian Business Numbers

You are not required to quote your Tax File Number (TFN) or, if you have one, an Australian Business Number (ABN)¹ or claim an exemption from providing a TFN. However, if a TFN or ABN is not provided or an exemption is not claimed, IIML is required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy. If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN.

Foreign Account Tax Compliance Act (FATCA)

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

Based on current guidance, IIML believes that the Trust(s) may be required to comply with certain requirements under the FATCA, that apply from 1 January 2014, in order to avoid the imposition of a 30% United States withholding tax on payments of US income or gross proceeds from the sale of certain US securities. The withholding tax may be imposed on payments received by a Trust or on certain distributions to investors. IIML may request that you provide certain information about yourself in order for IIML to comply with its FATCA obligations.

Privacy

Protecting your privacy is important to us. The main reasons we collect, use and/or disclose your personal information, is to provide you with products and services you request. This may also include the following related purposes:

- To help your financial adviser provide you with financial advice and ongoing services.
- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of Perennial or other IOOF group products and services.
- To provide you with information about other products and services we, or other members of the IOOF group, have that may interest you.

We may disclose your information (or parts of it) to external parties. These can include:

- Your financial adviser.
- Banks or other financial institutions.
- Mail houses.
- Legal and accounting firms, auditors, contractors, or other consultants involved with the Trusts.
- Other companies in the IOOF group.

If you do not provide the information requested in the application form, we may not be able to accept and process your application.

We are also permitted to collect and disclose your personal information when required or authorised to do so by law or necessary in discharging our obligations.

You may elect not to receive marketing information about other Perennial or IOOF group products and services on the application form or at any time by contacting a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand).

If you have concerns about the accuracy and completeness of the personal information we hold, you may request access to your personal information by writing to:

Privacy Officer
IOOF Investment Management Limited
GPO Box 264
Melbourne VIC 3001

Depending upon the nature of the request, we reserve the right to impose a reasonable charge for providing access to your personal information. If you have provided us with information about another person, we understand you will advise them that we collect, hold and use the personal information for the purposes set out in this Reference Guide and in our Privacy Policy.

You may also obtain a copy of the IOOF group privacy policy by contacting a Client Services Representative on 1300 730 032 (+612 8274 2700 if calling from New Zealand) or by visiting www.perennial.net.au.

Investment by New Zealand investors

General

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 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities 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, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

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

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities 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.

Dispute resolution

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

The above warning statement is required pursuant to the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

Investing in New Zealand dollars

You may invest in the Trust(s) in New Zealand dollars.

If contributing in New Zealand dollars you will need to bear in mind both the currency conversion rate and applicable fees when ensuring that your contributions satisfy the applicable minimum thresholds, which are expressed in Australian dollars.

Distribution reinvestments

Units allocated to your account resulting from a distribution reinvestment will be allotted to you in accordance with the terms and conditions set out in the relevant PDS and the constitution of the Trust(s).

You can request copies of the following documents:

- The most recent annual report.
- The most recent financial statement.
- The current PDS.
- The constitution of the Trust(s) and any applicable amendments.

Copies of these documents can be obtained free of charge by contacting a Client Services Representative on +612 8274 2700.

A distribution statement will be sent to you within 30 days from the date of the reinvestment of units, which will include the amount of the distribution and the number of units that have been allotted to you. If you are a New Zealand resident investing in the Trust(s), any distributions will be paid to you in Australian dollars.



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