

Perennial Trusts Additional Information Booklet

5 June 2017



Information in this Additional Information Booklet forms part of the Product Disclosure Statements for the Perennial Trusts. This Additional Information Booklet relates to the trusts listed on page two.

Contact details

Responsible Entity

Perennial Investment Management Limited

Registered Office

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Investment Manager

Perennial Value Management Limited
ABN 22 090 879 904 | AFSL 247293

Principal place of business

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This Additional Information Booklet is issued by Perennial Investment Management Limited ABN 13 108 747 637 AFSL 275101 ('PIML', 'we', 'our', 'us' or 'responsible entity'). Information in this Additional Information Booklet forms part of the Product Disclosure Statements (PDS) for the following Perennial Trusts (collectively the 'Trusts' and individually the 'Trust').

Name of Trust	ABN	ARSN	APIR Code	PDS dated
Perennial Value Australian Shares Trust	52 270 607 472	093 699 560	IOF0200AU	7 April 2017
Perennial Value Shares for Income Trust	86 553 786 320	100 098 486	IOF0078AU	7 April 2017
Perennial Value Smaller Companies Trust	55 863 674 247	099 824 101	IOF0214AU	7 April 2017
Perennial Value Shares Wholesale Trust	56 228 767 804	096 451 900	IOF0206AU	7 April 2017
Perennial Value Microcap Opportunities Trust	89 161 737 914	611 100 166	WPC3982AU	1 Feb 2017
Perennial Value Active Plus Shares Trust	60 401 532 646	617 947 592	WPC6780AU	24 May 2017

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

For a free printed copy of this Additional Information Booklet, please contact a Client Services Representative on 1300 730 032 (+612 8274 2777 if calling from New Zealand).

The information in this Additional Information Booklet 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 Additional Information Booklet are given in Australian dollars and all phone/fax numbers are to phone/fax numbers in Australia (unless otherwise stated).

1. Key Parties

Responsible Entity

Perennial Investment Management Limited (PIML), ABN 13 108 747 637 AFSL 275101 (PIML) has appointed Perennial Value Management Limited (Perennial Value), ABN 22 090 879 904, AFSL 247 293, to manage the assets of the Trusts.

Perennial Value is a related body corporate of PIML. In consideration of Perennial Value providing these services, Perennial Value is entitled to fees paid by PIML. These fees are not an additional charge to investors.

Investment Manager

Perennial Value is a specialist, active investment management firm. Formed in 2000 and led by well-known Value investor John Murray, Perennial Value's sole focus is to deliver excellence in funds management through equity ownership and the alignment of interests between key investment management staff and our clients. As at 31 March 2017 Perennial Value managed over \$7 billion on behalf of institutional and retail clients.

Perennial Value operates three investment management strategies. Each strategy specialises in the investment management of one of the following:

- ▶ Perennial Value Australian Shares – Australian Large Caps, Shares for Income & Active Plus
- ▶ Perennial Value Smaller Companies – Australian Small & Microcap Companies; and
- ▶ Perennial Value Wealth Defender – Equity Risk and volatility management and trading.

Custodian

PIML has appointed National Australia Bank Limited (NAB), ABN 12 004 044 937, as the Custodian of the assets of the Trust. In its capacity as Custodian, NAB's role is limited to holding the assets of the Trust as agent of the responsible entity. NAB has no supervisory role in relation to the operation of the Trusts and is not responsible for protecting your interests. NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the custody agreement. NAB holds investments of the Trusts 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 the NAB Group, guarantees the performance of the investment or the underlying assets of the Trusts, or provides a guarantee or assurance in respect of the obligations of the responsible entity or its related entities.

NAB makes no statement in the PDS and has not authorised or caused the issue of it. NAB has given and not withdrawn its consent to be named in the PDS or Additional Information Booklet.

2. 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 Trusts' 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 constitutions bind 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 of the Trusts, 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 the 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 of professional advice.

In the case of the following Trust, we may transfer investments to you rather than pay cash in satisfaction of all or part of a redemption request, subject to certain conditions set out in the constitution for the Trust:

- ▶ Perennial Value Shares for Income Trust.

This may be subject to the conditions that the valuation of those 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 you or be deducted from the amount due to you.

The constitutions of the Trusts may be inspected at PIML's registered office on a Sydney 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 the 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; in the case of the following Trusts, PIML may refuse any transfer request, without giving reasons, subject to the Corporations Act requirements:
 - Perennial Value Shares for Income Trust;
 - Perennial Value Microcap Opportunities Trust; and
 - Perennial Value Active Plus Shares Trust;
- ▶ 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 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.

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

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).

PIML 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 Additional Information Booklet. However, a buy/sell spread 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 Switch 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 PIML's registered office on a Sydney business day or we can provide you with a copy on request.

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

We may also compulsorily redeem units in either of Perennial Value Shares for Income Trust, Perennial Value Microcap Opportunities Trust or Perennial Value Active Plus Shares Trust.

When investing in the Perennial Value Shares for Income Trust, Perennial Value Microcap Opportunities Trust or Perennial Value Active Plus Shares Trust, a redemption may be met via a transfer of assets instead of a cash payment.

Distributions

How you receive distributions from your investment

The type of income you receive from your investment depends on the underlying asset classes within the relevant Trust and may include interest, dividends and realised capital gains.

Generally, all taxable income and realised taxable capital gains in a financial year will be distributed to unit holders. Any losses will be carried forward to later periods.

Distribution reinvestment

Where you elect to reinvest your distributions, the distribution reinvestment price is the unit price at the end of the distribution period (without the applicable buy spread) less the distribution per unit payable.

By electing to reinvest your distributions, you are deemed to have directed us to apply such monies towards the subscription for the number of units, of the same class as already held, at the relevant distribution reinvestment price. All units allotted as part of the distribution reinvestment will rank equally in all respects with existing units in the same class.

Investors may cancel their participation at any time by giving notice to PIML. The cancellation will apply from the date of receipt as long as it is at least 10 days prior to a distribution date, or such future date as nominated by you. Retrospective cancellations are not permitted.

PIML may cancel or suspend distribution reinvestments, or modify the terms by which distribution reinvestments are permitted.

3. 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, additional information booklet and the annual financial reports for the Trusts.
- ▶ Download application, switch and other standard administration forms.
- ▶ Monitor unit prices, investment performance, distributions and changes to the Trusts.
- ▶ Read the latest views and opinions of our investment managers.

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

Perennial Online

You can view your account information online, using the Perennial Online portal. Information available on Perennial 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, distributions and withdrawals.

Registering for Perennial Online

You can access Perennial Online via the home page of the Perennial website, www.perennial.net.au. Investors who provide Perennial with their email address on the application form will be emailed a confirmation containing a link to Perennial 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 2777 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.

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 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

As disclosing entities, the Trusts may be subject to regular reporting and disclosure obligations. The responsible entity intends to comply with ASIC's Good Practice Guidance on continuous disclosure and disclosure notices as soon as practicable on the Perennial website www.perennial.net.au. The responsible entity will also 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.
- ▶ Any continuous disclosure notices lodged for the Trust(s) after the lodgement of that most recent annual financial report.

4. 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 11 of this Additional Information Booklet.

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	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.
Exit fee The fee to close your investment.	Nil.	Not applicable.
Management costs		
The fees and costs for managing your investment.	<p>Investment management fee¹</p> <p>This fee varies between 0.92% p.a. and 1.20% p.a. depending on the Trust. Refer to the table on page 8 for the investment management fee relating to each Trust.</p> <p>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(s).</p> <p>Performance fee²</p> <p>A performance fee, in addition to the investment management fee, may be payable for the Perennial Value Smaller Companies Trust and the Perennial Value Microcap Opportunities Trust.</p>	<p>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.</p> <p>This fee is accrued daily and paid monthly and is incorporated into the daily unit price of each Trust.</p> <p>If this fee is payable, it is calculated daily and paid each calendar month (subject to the satisfaction of the conditions outlined in the relevant PDS) and is incorporated into the daily unit price of the Trust.</p>
Service fees		
Switching fee³ The fee for changing between Trusts.	Nil.	Not applicable.

1. Fees and costs may be negotiated with wholesale clients – please refer to ‘Differential fees’ on page 10 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 10 of this Additional Information Booklet.
3. We are entitled to charge a performance fee of 15% of the Trust’s net return in excess of the Trust’s respective benchmark return for the Perennial Value Smaller Companies Trust and the Perennial Value Microcap Opportunities Trust.

Name of Trust	Management costs % p.a.	Performance fees	Estimated buy spread	Estimated sell spread
Perennial Value Australian Shares Trust	0.92	Nil	0.30	0.30
Perennial Value Shares for Income Trust	0.92	Nil	0.30	0.30
Perennial Value Smaller Companies Trust	1.20	Yes ¹	0.30	0.30
Perennial Value Shares Wholesale Trust	0.92	Nil	0.30	0.30
Perennial Value Microcap Opportunities Trust	1.20	Yes ¹	0.30	0.30
Perennial Value Active Plus Shares Trust	0.92	Nil	0.30	0.30

1. We are entitled to charge a performance fee of 15% of the Trust's net return in excess of the Trust's respective benchmark return for the Perennial Value Smaller Companies Trust and the Perennial Value Microcap Opportunities Trust.

Additional Information on fees and costs

Performance fees

For details on the performance fee that may be payable for the Perennial Value Smaller Companies Trust and the Perennial Value Microcap Opportunities Trust, please refer to section six of the PDSs.

Where a performance fee is payable and any underperformance has been fully recovered, a performance fee of 15% of the Trust's net return in excess of the benchmark return will be calculated and accrued daily as follows.

Performance Fee =

(Trust's net return – Benchmark return) x Net Trust Value for the previous day x 15%.

Below are worked examples of performance fee calculations on both a daily and monthly basis for the Trust as a whole. Your share of the performance fee will depend on the number of units you hold.

Performance fee calculation worked examples

The following examples illustrate performance fee calculations for unrelated days and consecutive months, assuming no applications, redemptions or distributions and hypothetical values for Trust return, benchmark return, net assets and performance fees.

Daily performance fee for unrelated days

	Business Day 1	Business Day 9	Business Day 23	Calculation notes
Trust's net return	1.9%	0.7%	1.5%	Hypothetical amount.
Benchmark return	1.7%	1.1%	1.0%	Hypothetical amount.
Outperformance (underperformance)	0.2%	(0.4%)	0.5%	Trust's net return minus benchmark return.
Net Trust Value from the previous day	\$10,000,000	\$11,500,000	\$15,000,000	Hypothetical amount.
Daily performance fee for the Trust at 15%	\$3,000	(\$6,900)	\$11,250	Outperformance (underperformance) multiplied by Net Trust Value multiplied by 15%.
Aggregate performance fee balance for the Trust up to day "X"	(\$20,000)	\$55,000	\$100,000	Hypothetical amount.
New aggregate performance fee balance for the Trust at the end of the day	(\$17,000)	\$48,100	\$111,250	Aggregate balance plus the daily performance fee.
Amount reflected in the daily unit price for the Trust in respect of that Business Day	Nil	(\$6,900)	\$11,250	If the aggregate performance fee balance is positive, both positive and negative fees will be reflected in the unit price.

Note: This is an example only and does not reflect the actual assets and performance of any particular Perennial Trust.

Calendar month payment of performance fees for consecutive months

	Month 1	Month 2	Month 3	Month 4
Brought forward aggregate performance fee	\$1,500	\$6,500	(\$5,500)	(\$2,500)
Performance fee accrual for the month (sum of the daily performance fees)	\$5,000	(\$12,000)	\$3,000	\$15,000
Aggregate performance fee	\$6,500	(\$5,500)	(\$2,500)	\$12,500
Month end net Trust return	-1.3%	1.3%	2.5%	1.5%
Month end benchmark return	-4.5%	3.0%	2.2%	-4.0%
Outperformance (underperformance)	3.2%	-1.7%	0.3%	5.5%
Performance fee paid to the responsible entity	Nil	Nil	Nil	\$12,500
New aggregate performance fee to be brought forward	\$6,500	(\$5,500)	(\$2,500)	\$0

Note: This is an example only and does not reflect the actual assets and performance of any particular Perennial Trust.

Explanation

Month 1	<p>The Trust outperforms the benchmark return for the month.</p> <p>The Trust's net return is negative, so no performance fee is paid to the responsible entity and the monthly aggregate performance fee is carried forward.</p>
Month 2	<p>The Trust underperforms the benchmark return for the month, so no performance fee is paid to the responsible entity and the monthly accrual is carried forward.</p> <p>The monthly aggregate performance fee is negative and reduces the brought forward balance to a negative. This is carried forward to Month 3.</p>
Month 3	<p>The Trust outperforms the benchmark return for the month, however the positive performance accrual for the month is not sufficient to offset the negative brought forward balance, so no performance fee is paid to the responsible entity.</p> <p>The negative monthly aggregate performance fee balance is carried forward to Month 4.</p>
Month 4	<p>The Trust outperforms the benchmark return for the month by a large enough margin to return the aggregate performance fee to a positive amount. The aggregate positive performance fee balance is paid to the responsible entity.</p> <p>The new aggregate performance fee balance is set to zero and carried forward to Month 5.</p>

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 constitutions governing the Trusts allow for higher fees to be charged than those detailed in the relevant PDS and this Additional Information Booklet and specify circumstances where additional fees may be charged.

These include:

- ▶ 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 Value Smaller Companies 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 Value Shares Wholesale Trust; and
 - Perennial Value Australian Shares 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 Value Shares for Income Trust;
 - Perennial Value Microcap Opportunities Trust; and
 - Perennial Value Active Plus Shares Trust
- ▶ a maximum contribution fee of 5% of the application (initial investment) amount (not currently charged) for all Trusts;
- ▶ a maximum withdrawal fee of 5% of the exit price payable on the withdrawal of units (not currently charged);

The constitutions of the Trusts also allow the responsible entity 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; and
- ▶ legal fees incurred in the discharge of its duties.

We have the right to increase the fees or to charge fees not currently levied in each case 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 2777 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 from 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 Additional Information Booklet. However, a buy/sell spread may apply to the relevant Trust at the time of the switch.

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 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 applicable).

The buy/sell spread 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 Additional Information Booklet. 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/feesandcosts.

Adviser commissions

Fees paid to financial advisers and other persons

We do not pay commissions to financial advisers.

Alternative remuneration register

PIML maintains an Alternative Remuneration Register in accordance with the FSC/FPA Industry Code of Practice, which outlines the 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.

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.

5. 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.

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 PIML. 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.

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

The Taxation of Financial Arrangements ('TOFA') regime is a code for the taxation of gains and losses in relation to financial arrangements. The rules contemplate a number of different methods for bringing to account gains in relation to financial arrangements. Managed investment schemes must apply the TOFA regime if the value of their assets is \$100million or more. Included in the 2016-17 Budget, The Australian Government announced reform to TOFA by introducing simplified accruals and realisation rules. The new rules are proposed to apply to income years on or after 1 January 2018.

Taxation of Australian Resident investors

Investors are generally subject to tax on their share of the net 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, or 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 net 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. In normal circumstances, you should expect the Trust(s) to derive income and/or capital gains each year.

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 of 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

The above taxation summary is only for investors who are residents of Australia for tax purposes. The tax treatment of non-resident investors in the Trust depends on the investor's particular circumstances and the provisions of the relevant Double Tax Agreement between Australia and the country of residence. It is important that non-resident investors seek independent professional taxation advice before investing in the Trust.

The Trust 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 relevant PDS and this Additional Information Booklet 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.

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, PIML 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.

The Perennial Trust(s) are required to comply with certain requirements under the FATCA, PIML requests that you provide certain information (in the application form) about yourself in order for PIML to comply with its FATCA obligations.

6. Privacy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our privacy policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information from the application form you complete when applying to invest in a Perennial Trust(s).

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

- ▶ To help your financial adviser provide you with financial advice and ongoing services in relation to your account with us.
- ▶ To facilitate internal administration, accounting, research, risk management, compliance and evaluation of Perennial products and services.
- ▶ To provide you with information about other products and services that PIML or Perennial offer that may interest you.

We may also disclose your information to external parties some of whom act on your or our behalf. These parties may include:

- ▶ organisations involved in providing, managing or administering our products or services such as actuaries, custodians, external dispute resolution services, investment managers, or mail houses
- ▶ your financial adviser
- ▶ funds (administrators or trustees) to which your investment is to be transferred
- ▶ financial institutions that hold accounts for you
- ▶ the Australian Taxation Office
- ▶ Other companies within PIML.

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

By signing the application form, you agree to us collecting, storing, using and disclosing your personal information. If you do not provide all the information requested in your application form, we will not be able to accept and process your application.

1. Under AML/CTF Law, disclosure of an ABN is required for those individual investors who are a sole trader. Please refer to Step 6 of the application form for further information.

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

Mail: Perennial Investment Management Limited
PO Box R1709
Royal Exchange NSW 1225

E-mail: privacyofficer@perennial.net.au

Phone: 1300 730 032

Depending upon the nature of the request, we may have the right to impose a reasonable charge.

To obtain a copy of the Perennial privacy policy please contact a Client Services Representative on 1300 730 032 (+612 8274 2777 New Zealand) or through Perennial's website at www.perennial.net.au.

Indirect investors should refer to the Privacy Policy of the trustee or IDPS operator in which they are an investor.

Anti-Money Laundering and Counter-Terrorism Financing Legislation (AML/CTF)

In order to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, we may need to obtain additional information before processing applications and withdrawals. This includes information to verify a potential and/or existing investor's identity and any underlying beneficial owner of a potential and/or existing investor, and the source of any payment.

Where we request such information from the investor, processing of applications or withdrawals may be delayed until the required information is received in a satisfactory form and the investor identified. PIML may reject any application where such documents are not provided prior to lodgment of, or accompanying, the application form. A transaction may be delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches the law or sanctions of Australia or any other country. Where such a transaction is delayed, blocked, frozen or refused, we are not liable for any loss (including consequential loss) to a potential or existing investor. We may require additional information from a potential or existing investor to assist us in identification and verification processes, and we may need to re-verify information. Investors should also be aware that under the legislation we are required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing the relevant investor of such disclosure.

7. Investment by New Zealand investors

New Zealand warning statement

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 Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

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 (Aust) and the regulations made under that Act set out how the offer must be made.

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.

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.

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 (www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Additional Warning Statement: Currency Exchange and Dispute Resolution

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. 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.

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

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 of the Trust(s).

The distribution reinvestment plan described in the PDS is offered to New Zealand investors on the following basis:

- ▶ At the time the price of the units allotted pursuant to the distribution reinvestment plan is set, we will not have any information that is not publically available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publically available.
- ▶ The right to acquire, or require us to issue, units will be offered to all investors of the same class, other than those resident outside New Zealand who are excluded so as to avoid breaching overseas laws.
- ▶ Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- ▶ Units will be issued on the terms disclosed to you, and will be subject to the same rights as units issued to all investors of the same class as you.

You can request from us free of charge copies of the following documents:

- ▶ The most recent annual report of the relevant Trust (if any).
- ▶ The most recent financial statements of the relevant Trust and, if those statements are not audited or reviewed by an auditor, a statement to that effect.
- ▶ The auditor's report on the most recent financial statements of the relevant Trust (if any).
- ▶ The current PDS, or a document that contains a description of the distribution reinvestment plan and its terms and conditions.
- ▶ The constitutions 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 2777. You can also obtain copies of these documents by electronic means, by visiting Perennial's website at www.perennial.net.au or emailing us at invest@perennial.net.au.

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 not reinvested will be paid to you in Australian dollars.

Withdrawals

Withdrawals will be paid to an Australian financial institution account or by Australian dollar cheque upon request.

Distribution payments

You may choose to have distributions paid to your nominated Australian financial institution account. If no account is nominated, this will be taken as a direction to reinvest distributions into the Trust from which the income was received.

Service of documents

Should you wish to serve us with documents, you can do so by delivering them to:

Kensington Swan
Level 9, 89 The Terrace
PO Box 10 246
Wellington 6143 New Zealand