

PRODUCT DISCLOSURE STATEMENT (PDS) FOR THE

# Pella Global Generations Fund (Class B and Class C)

ARSN 653 919 478

Class B APIR PIM5678AU | ISIN AU6OPIM56781

Class C APIR PIM9694AU | ISIN AU6OPIM96944

Dated: 20 December 2021

The Trust Company (RE Services) Limited (**Perpetual, we or us**) is the responsible entity of the Pella Global Generations Fund (Class B and Class C) ARSN 653 919 478 (**Fund**) and issuer of this PDS. The investment manager of the Fund is Pella Funds Pty Ltd (ABN 56 650 744 791) (**Investment Manager or Pella**), a Corporate Authorised Representative (CAR No. 0012889108) of Lanterne Fund Services Pty Ltd (ABN 49 098 472 587, AFSL No 238198). This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required to be lodged. ASIC takes no responsibility for the contents of this PDS.

If you received this PDS electronically we will provide you, free of charge, with a paper copy of this PDS (together with the application form) and any information it incorporates by reference upon request. Please phone Pella on +61 (02) 9188 1500. You can also obtain a copy of the Information Booklet and the Target Market Determinations for this Fund by contacting Pella. If you make this PDS available to another person, you must give them the entire PDS, including the application form.

This PDS is also available to investors who invest through an investor directed portfolio service (such as a master trust or wrap account) or similar service (**Wrap**). Different conditions may apply to such investors so please refer to Section 9 "More information" and "Investing via a Wrap". This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. All references to \$ amounts are to Australian dollars. A business day referred to in this PDS is a day (other than a Saturday or a Sunday) on which banks are open for general banking business in Sydney (Business Day).

This PDS is current as at 20 December 2021. Information in this PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by Perpetual by posting a notice of the change on Pella's website at [www.pellafunds.com](http://www.pellafunds.com). A paper copy of the updated information will be provided, free of charge, upon request when you contact Pella on +61 (02) 9188-1500. If the change is materially adverse to investors, Perpetual will notify affected investors and replace this PDS.

Neither Perpetual nor the Investment Manager promise that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Perpetual and the Investment Manager makes any statement or representation in this PDS.

**PLEASE NOTE:**

- This PDS is a summary of significant information and contains a number of references (marked with the symbol ⓘ) to important additional information contained in the Information Booklet which forms part of this PDS
- You should consider the information contained in this PDS before making a decision about the Fund
- The information provided in this PDS is general information only and does not take account of your personal financial situation or needs and
- You should obtain financial advice tailored to your personal circumstances.

## 1. About The Trust Company (RE Services) Limited

### PERPETUAL

Perpetual is the responsible entity for the Fund. Perpetual is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827, and a part of Perpetual Group (comprising Perpetual Limited and its subsidiaries, including The Trust Company (RE Services) Limited), which has been in operation for over 135 years. Perpetual Limited is an Australian public company that has been listed on the Australian Securities Exchange for over 55 years. Perpetual holds Australian Financial Services Licence number 235150 issued by ASIC, which authorises it to operate the Fund.

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### MAINSTREAM FUND SERVICES PTY LTD

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P 1300 133 451

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Perpetual is bound by the constitution of the Fund (**Constitution**) and the Corporations Act. Perpetual has lodged a compliance plan with ASIC which sets out the key measures we will apply to comply with the Constitution and the Corporations Act. Perpetual has established a compliance committee with a majority of external members. The compliance plan is overseen by the compliance committee and is audited annually with the audit report being lodged with ASIC.

Perpetual has the power to delegate certain aspects of its duties. We have appointed Pella as the investment manager of the Fund to manage the assets of the Fund. We have also appointed Mainstream Fund Services Pty Ltd, ABN 81 118 902 891,

AFSL 303253 (Mainstream) as the administrator and independent custodian to hold assets of the Fund. Mainstream's custody role is limited to holding the assets of the Fund as our agent. Mainstream has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

### THE INVESTMENT MANAGER

Pella is a global socially responsible investor seeking high quality companies with favourable valuations and superior ethical and Environmental, Social and Governance (**ESG**) credentials with long term aims to outperform the benchmark. Pella has a strong focus on risk management.

## 2. How the Fund works

### MECHANICS

When you invest in the Fund your money (together with all other investors' monies) is gathered in the one place and invested in assets. We have appointed the Investment Manager to manage the Fund. The Investment Manager uses its resources, experience and expertise to make the investment decisions.

### UNITS

The Fund is a "unit trust". This means your interests in the Fund are represented by "units". Certain rights (such as a right to any income and a right to vote) attach to your units. You may also have obligations in respect of your units.

Each unit has a value which we calculate. When you invest, we issue you a number of units depending on the amount you invest. Similarly, when you withdraw from the Fund, we calculate your withdrawal proceeds by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Fund rises or falls.

Pursuant to this PDS, you may invest in Class B and Class C Units in the Fund. Units in other classes may be issued pursuant to a different document. All classes of units provide their holders with a beneficial interest in the assets of the Fund as a whole and not any interest in any single asset.

### INVESTING AND WITHDRAWING

To invest in the Fund, use the application form accompanying this PDS. The following minimum transactions, balance requirements and processing rules generally apply (although we may vary or waive them at our discretion and without notice):

|   |   |
|---|---|
| Minimum initial investment              | \$25,000  |
| Minimum balance                         | \$10,000  |
| Minimum additional investment           | One off investment \$5,000 (payable by direct debit or BPAY)<br>Regular Savings Plan: \$1,000 (payable by direct debit)   |
| Minimum withdrawal                      | \$5,000   |
| Unit pricing frequency                  | Each Business Day   |
| Applications and withdrawals processing | If we receive your correctly completed application and monies or a correctly completed withdrawal request, then we generally process these each Business Day using the unit price effective for that day. If your request is received before 3 pm Sydney time it will be processed using the unit price effective for that day. If your request is received after this time, or on a non-Business Day, it is treated as having been received before 3 pm Sydney time the next Business Day. |

You can increase your units by reinvesting distributions in full (this will be done automatically unless you tell us otherwise) or in part (use the application form to tell us how much you wish to reinvest), or by making an additional investment (use the application form to do this). You can decrease your units by making a withdrawal (simply contact us in writing and tell us how much you need to withdraw). We accept scanned or faxed withdrawal requests on certain conditions.

### SAVINGS PLAN

With a savings plan, you can make regular investments in the Fund automatically by direct debit from your nominated Australian bank, building society or credit union account. The minimum savings plan investment is \$1,000, which can be made:

- Monthly (default frequency) – on the 15th of the month; or
- Quarterly – on the 15th of March, June, September, and December.

Please note that if any of these days are not a Business Day, the next Business Day will apply.

### DELAYS

Normally once we decide you can withdraw your money, we process the request within 5 Business Days (although the Constitution for the Fund allows us to delay withdrawals in certain circumstances, which could be significantly longer than 5 Business Days), and then pay funds to your account. Once the funds are available, we must pay funds to your account within 21 days.

In certain circumstances, such as a freeze on withdrawals or where the Fund is illiquid (as defined in the Corporations Act), you may have to wait a longer period of time before you can withdraw your investment.

If the Fund is not sufficiently liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund constitution and Corporations Act.

If the Fund is not sufficiently liquid, then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund constitution and Corporations Act.

### COMPULSORY REDEMPTIONS

In some circumstances we may also compulsorily redeem your units, for example, where we suspect that a law prohibits you from being an investor in the Fund.

### DISTRIBUTIONS

Income distributions are generally paid annually (as at 30 June each year) and can be reinvested in part or in full back into the Fund or paid out entirely to the financial institution account nominated on your application form. You can indicate your choice on the application form. If you do not make a choice, then distributions will be reinvested. Any distributions reinvested are reinvested at the ex-distribution mid-price.

Distribution payments are typically made within 45 days after the end of the distribution period. Distributions will not be paid by cheque. We generally calculate income distributions based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We distribute all taxable income to investors each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits.

You should read the following important information before making a decision to invest in the Fund: **i** Investing and withdrawing. Go to Part A of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

### 3. Benefits of investing in the Fund

#### SIGNIFICANT FEATURES

The Fund invests principally in listed (or soon to be listed) global equities. The Fund's investment objective is to obtain returns greater than the MSCI All Country World Total Return Index (net, AUD) (**Benchmark**) and with lower volatility than the Benchmark, over the medium to long term. The Investment Manager employs comprehensive ethical and ESG guidelines to govern their ESG processes and engagement actions. The investment objective is not a forecast. Returns are not guaranteed. See Section 5 "How we invest your money" for more information.

#### **i** SIGNIFICANT BENEFITS

There are many benefits of investing in the Fund. Some of the significant benefits include:

- The potential to generate capital growth over the medium to long term with a strong ethical and ESG framework for investing

- Exposure to a portfolio of global equities actively managed with comprehensive ethical and ESG guidelines
- Access to the investment expertise of the Investment Manager and access to a high conviction portfolio that individual investors usually cannot achieve
- Managed investment schemes can often invest for less cost than ordinary investors
- Generally, you can add to or withdraw your investment daily and
- You have the right to receive any distributions we make from the Fund.

You should read the following important information before making a decision to invest in the Fund: **i** Benefits and features. Go to Part B of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

### 4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

#### SIGNIFICANT RISKS

The significant risks of the Fund include:

- **Individual investment risk:** Investments to which the Fund is exposed, like shares on a stock exchange, can (and do) fall in value for many reasons, such as changes in a company's internal operations or management, or in its business environment.
- **Market and economic risk:** Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility and changes in the value of investment markets can affect the value of the investments in the Fund.
- **Investment Manager risk:** There is a risk that the Investment Manager will not perform to expectation or factors such as changes to the investment team may affect the Fund's performance.
- **Operational risks:** The custody and administration of the Fund has been outsourced to Mainstream. Perpetual is satisfied that Mainstream has in place adequate internal controls for its custody and administration operations. However, there still may be breakdowns in operations and procedures that cannot be prevented.
- **Fund risk:** The Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), Perpetual could be replaced as responsible entity and our management and staff could change. Investing in

the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.

- **Liquidity risk:** Access to your money may be delayed (see Section 2 "How the Fund works" and "Delays" of this PDS). Overall market liquidity may make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker.
- **Interest rate risk:** The capital value or income of a security held by the Fund may be adversely affected by interest rates movements.
- **Counterparty risk:** Losses can be incurred if a counterparty (such as a broker or other agent of Perpetual) defaults on their contractual obligations or experiences financial difficulty.
- **Derivatives risk:** The Investment Manager may, on occasions, use derivatives for the purpose of hedging currency risk back to AUD. Derivative valuations may not move in line with the underlying asset and can be highly volatile. Risks of derivatives include the value of the derivative failing to move in line with the underlying asset or as expected; the possibility that the derivative position is difficult or costly to reverse or exit; and counterparty risk (see above).
- **Concentration risk:** The Fund's typical portfolio holdings of 30 to 50 stocks represents some investment concentration. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility.
- **Cyber risk:** There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of Perpetual or other service providers.
- **International investing risk:** The Fund will invest in companies listed on overseas exchanges which may give rise to foreign currency exposure. The relative strength or weakness of the Australian dollar against other currencies will affect the Fund's performance and the Fund may have less protection under laws outside of Australia, and any investments in emerging markets may be more volatile than investments in

more developed countries. The Investment Manager may, on occasions, hedge currency risk back to AUD. The Fund may also invest part of the portfolio in emerging markets which tend to be smaller and more volatile than the major securities markets in more developed countries. This is often a reflection of a less developed country's greater political instability or uncertainty, exchange rate uncertainty, lower market transparency or uncertain economic growth.

Clearance and settlement procedures in an emerging country's securities market may be less developed which could lead to delays in settling trades and registering transfers of securities. Further, the laws in emerging markets may not provide equivalent protection to that of Australian laws, which may mean that the Fund is unable to recover the full or part value of an investment in an emerging market.

- **Multi-Classes:** The Fund may offer separate classes of units for investment from time to time. The classes are not separate legal entities and the assets of each class will not be segregated. All of the assets of the Fund are available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability will usually only arise where any separate class becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to other separate classes may be applied to cover the liabilities of the insolvent classes. If losses or liabilities are sustained by a class in excess of the assets attributable to such class, such excess may be apportioned to the other classes.

- **Regulatory risk:** The value or tax treatment of the Fund or its investments, or the effectiveness of the Fund's trading or investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws affecting registered managed investment schemes, or changes in generally accepted accounting policies or valuation methods.

### **ⓘ RISKS APPLICABLE TO MANAGED INVESTMENT SCHEMES GENERALLY**

Other significant risks relevant to many managed investment schemes include the value of investments will vary, the level of returns will vary, future returns may differ from past returns and returns are not guaranteed. You may lose some or all of your money.

The level of risk for each person will vary depending on a range of factors including age, investment time frames, where other parts of your wealth are invested and your risk tolerance. These risks can be managed but cannot be completely eliminated.

You can adopt certain tools to help you manage your own risk.

You should read the following important information before making a decision to invest in the Fund: ⓘ Risks in general. Go to Part C of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

## 5. How we invest your money

You should consider the likely investment return, risk and your investment timeframe when choosing a fund to invest in.

| Snapshot                                |   |        |        |     |        |            |     |      |     |      |    |     |    |
|---|---|--------|--------|-----|--------|------------|-----|------|-----|------|----|-----|----|
| Fund description                        | The Fund invests principally in listed (or soon to be listed) global equities.  |        |        |     |        |            |     |      |     |      |    |     |    |
| Investment return objective             | <p>The Fund's investment objective is to obtain returns greater than the Benchmark and with lower volatility than the Benchmark, over the medium to long term. The Investment Manager believes it is possible to consistently generate excess returns by investing in highly cash flow generative companies with favourable outlooks that are trading at attractive valuations.</p> <p><i>Note the investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium-to-longer term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.</i></p> <p>ⓘ The Investment Manager has developed an investment process to help achieve the investment return objective.</p>   |        |        |     |        |            |     |      |     |      |    |     |    |
| Benchmark                               | MSCI All Country World Total Return Index (net, AUD).   |        |        |     |        |            |     |      |     |      |    |     |    |
| Fund's investments and asset allocation | <p>The Fund will generally hold listed (or soon to be listed) global equities. The Investment Manager may, on occasions, hedge currency risk back to AUD. The portfolio allocation will generally be:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets</th> <th style="text-align: center;">Min</th> <th style="text-align: center;">Max</th> <th style="text-align: center;">Target</th> </tr> </thead> <tbody> <tr> <td>Securities</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">95%</td> </tr> <tr> <td>Cash</td> <td style="text-align: center;">0%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table> <p>The Investment Manager actively adjusts the investment mix within the ranges above.</p> <p>The "target" position is where the Investment Manager aims to have the Fund invested given a fairly valued investment market. All other things being equal, the "target" position would be the investment mix of the Fund. Pella will endeavour to work within the above guidelines, however these should be viewed as objectives only and not absolute limits.</p> <p>Remember the investment mix can change within the ranges significantly and sometimes quickly. Ask your adviser or contact us for the latest investment mix and size of the Fund.</p> | Assets | Min    | Max | Target | Securities | 80% | 100% | 95% | Cash | 0% | 20% | 5% |
| Assets                                  | Min   | Max    | Target |     |        |            |     |      |     |      |    |     |    |
| Securities                              | 80%   | 100%   | 95%    |     |        |            |     |      |     |      |    |     |    |
| Cash                                    | 0%  | 20%    | 5%     |     |        |            |     |      |     |      |    |     |    |
| Recommended minimum investment period   | At least 5 years.   |        |        |     |        |            |     |      |     |      |    |     |    |
| Borrowing                               | The Fund will not borrow. Derivatives will not be used to gear the Fund.  |        |        |     |        |            |     |      |     |      |    |     |    |

## Snapshot

|  |  |
|--|--|
| Risk   | <br>Low      Moderate      High      Very High  |
| Suitability  | The Fund is generally suited for persons seeking to gain exposure to a portfolio of global equities actively managed with comprehensive ethical and ESG guidelines, to invest for at least 5 years and seeking capital growth with a strong ethical and ESG framework for investing.       |
| Labour and environmental, social or ethical considerations | The Investment Manager does take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments. The Investment Manager's responsible investment guidelines govern their ESG processes and engagement actions. |

Any of the above details could change at any time and without notice. Where we consider the changes are significant, we will notify you of the changes (and where required, give you 30 days' prior notice where practicable).

You should read the following important information before making a decision to invest in the Fund: **i** The investment process. Go to Part D of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

### FEES AND OTHER COSTS

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

### FEES AND COSTS SUMMARY

| Pella Global Generations Fund (Class B and C units)  |   |                       |   |
|--|---|-----------------------|---|
| Type of fee or cost  | Amount  |                       | How and when paid   |
| Ongoing annual fees and costs <sup>1</sup>   |   |                       |   |
|  | Class B Units   | Class C Units         |   |
| Management fees and costs* – The fees and costs for managing your investment <sup>2</sup>              | 0.65% pa <sup>2</sup>   | 0.85% pa <sup>2</sup> | Calculated and accrued daily and payable monthly in arrears.  |
| Performance fees – Amounts deducted from your investment in relation to the performance of the product | 15.0% <sup>2</sup> of the amount by which the Fund outperforms its Benchmark after other fees and costs have been deducted, provided the Fund achieves positive performance | Nil                   | Calculated and accrued daily and payable semi-annually in arrears   |
| Transaction costs* – The costs incurred by the Fund when buying or selling assets                      | 0.15% pa  | 0.15% pa              | These costs are expressed net of any amount recovered by the buy/sell spread and are generally paid as incurred |

## Member activity related fees and costs (fees for services<sup>3</sup> or when your money moves in or out of the Fund)

| Type of fee or cost   | Amount          |                 | How and when paid   |
|---|-----------------|-----------------|---|
|   | Class B Units   | Class C Units   |   |
| Establishment fee – The fee to open your investment   | Nil             | Nil             | Not applicable  |
| Contribution fee – The fee on each amount contributed to your investment  | Nil             | Nil             | Not applicable  |
| Buy-sell spread – An amount deducted from your investment representing costs incurred in transactions by the Fund | +0.25% / -0.25% | +0.25% / -0.25% | Calculated as a percentage of the mid unit price. Paid from investor's money when an investor applies to purchase or redeem units. Retained by the Fund |
| Withdrawal fee – The fee on each amount you take out of your investment   | Nil             | Nil             | Not applicable  |
| Exit fee – The fee to close your investment   | Nil             | Nil             | Not applicable  |
| Switching fee – The fee for changing investment options   | Nil             | Nil             | Not applicable  |

<sup>1</sup> All fees are expressed as a percentage of net asset value of the Fund excluding accrued fees. All fees and costs are quoted inclusive of any GST and net of any input tax credits (ITCs) or reduced input tax credits (RITCs) that are expected to be available to the Fund.

<sup>2</sup> We do not negotiate fees.

<sup>3</sup> For more information on service fees, please see "Additional explanation of fees and costs".

\* This is an estimate only. As the Fund is newly established, this figure reflects our reasonable estimates of the costs that will apply for the current financial year (adjusted to reflect a 12 month period) based on information available as at the date of this PDS. We may pay any abnormal expenses incurred in managing the Fund out of the Fund in addition to the ongoing annual fees and costs. Please refer to Pella's website for any updates on these estimates which are not considered materially adverse from a retail investor's point of view.

### EXAMPLE OF ANNUAL FEES AND COSTS

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

| Example – Pella Global Generations Fund (Class B units) |            | Balance of \$50,000 with a contribution of \$5,000 during year   |
|---|------------|--|
| Contribution fees                                       | Nil        | For every additional \$5,000 you put in, you will be charged <b>\$0</b>  |
| PLUS Management fees and costs                          | 0.65% p.a. | <b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$325</b> each year  |
| PLUS Performance fees*                                  | 0.30% pa   | <b>And</b> , you will be charged or have deducted from your investment <b>\$150</b> in performance fees each year assuming the Fund outperforms the Benchmark by 2%            |
| PLUS Transaction costs                                  | 0.15% pa   | <b>And</b> , you will be charged or have deducted from your investment <b>\$75</b> in transaction costs  |
| EQUALS Cost of Fund                                     | 1.10% pa   | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: <b>\$550*</b> |

<sup>^</sup> When calculating ongoing annual fees and costs in this table, the Corporations Act says we must assume that the value of your investment remains at \$50,000, the contribution of \$5,000 occurs on the last day of the year and the Fund's unit price does not fluctuate. Ongoing annual fees and costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, no additional service fees are incurred by you and Pella outperforms the Benchmark by 2%. The fact that a performance fee was paid or not paid in the example is not a representation of likely future performance. The actual performance fee and therefore the total cost of the Fund in the future will depend on the performance of Pella. Totals may appear incorrect due to rounding.

\* This is an estimate only. As the Fund is newly established, this figure reflects our reasonable estimates of the costs that will apply for the current financial year (adjusted to reflect a 12 month period) based on information available as at the date of this PDS. We may pay any abnormal expenses incurred in managing the Fund out of the Fund in addition to the ongoing annual fees and costs. Please refer to Pella's website for any updates on these estimates which are not considered materially adverse from a retail investor's point of view. If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) and use their managed investment fee calculator.

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

### **i** ADDITIONAL EXPLANATION OF FEES AND COSTS

#### ABOUT MANAGEMENT COSTS

Management fees and costs include the Investment Manager's fees, ordinary expenses (which includes Perpetual's and

Mainstream's fees), any abnormal expenses and indirect costs. Fees payable to the Investment Manager are calculated and accrued daily based on the net asset value of the Fund excluding accrued fees and are paid monthly in arrears.

Management fees and costs paid out of Fund assets reduce the net asset value of the Fund and are reflected in the unit price. Management fees and costs exclude transaction costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through buy/sell spreads).

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs. As the Fund is new, we have estimated indirect costs to be 0% based on the expected portfolio of the Fund. Actual indirect costs for future years may differ.

Ordinary expenses form part of management fees and costs and are the everyday expenses incurred in operating the Fund. The constitution of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited. We reserve the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs, and are deducted from the assets of the Fund as and when they are incurred.

#### PERFORMANCE FEES

A performance fee is payable to Pella in respect of Class B Units each 6 monthly period ending 30 June or 31 December when the investment performance of the Fund has exceeded the Benchmark and achieved positive performance. The performance fee is 15% of the total return of the Fund after management fees and expenses have been deducted, that is in excess of the Benchmark return, and is calculated daily and paid semi-annually in arrears. Class C Units do not attract a performance fee.

When the total return of the Fund is less than the Benchmark return, no performance fee is payable. No performance fee is payable until any previous periods of underperformance have been made up. When the absolute return of the Fund is negative but the Fund has performed better than the Benchmark, the relative outperformance of the Fund in percentage terms is carried forward to ensuing period(s). Where no performance fee has been payable for 3 consecutive years, we may (but are not obliged to) reset any underperformance from prior periods to zero at the end of the relevant performance period. We will notify you in advance if any such underperformance from prior periods will be reset to zero.

#### TRANSACTION COSTS

Transaction costs include brokerage, settlement costs, currency transactions, clearing and stamp duty costs. When you invest in the Fund, the Investment Manager may buy (and sell) investments and incur these costs. When you withdraw, the Investment Manager may sell investments so we can pay your cash to you and incur these costs. These costs are also incurred in connection with day to day trading within the Fund.

Some of these costs are recovered through the buy/sell spread. A buy/sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/

selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/withdrawing units from the Fund. The buy/sell spread is reflected in the buy/sell unit price. Currently, our buy/sell spread is estimated to be +0.25% on the entry price and -0.25% on the exit price. So, if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.25% (up 0.25 cents) and on exit we adjust the unit price down approximately 0.25% (down 0.25 cents). The buy/sell spread is not paid to Perpetual or the Investment Manager.

| Gross transaction costs | Recovery through buy/sell spread | Net Transaction costs |
|-------------------------|----------------------------------|-----------------------|
| 0.25%                   | 0.10%                            | 0.15%                 |

As the Fund is brand new we estimated the amount of gross transaction costs and recoveries are based on Pella's prior experience of managing similar investment strategies. We expect this amount to vary from year to year as it will be impacted by the Fund's volume of trading, brokerage arrangements, applications and withdrawals and any changes in the buy-sell spread for the Fund. The net transaction costs is the difference between these two amounts. All of these amounts are expressed as a percent of the Fund's average net asset value for the year. Based on an average account balance of \$10,000 over a one-year period, the net transaction costs represent approximately \$15.

#### ADVISER FEES

We do not pay fees to financial advisers. If you consult a financial adviser, you may incur additional fees from your financial adviser and should refer to your Statement of Advice for any fee details.

#### SERVICE FEES

If you need us to do something special for you, we may charge you a fee. These special fees vary depending on what you ask us to do.

#### CHANGES TO FEES AND COSTS

Fees and costs can change without your consent. Reasons might include changing economic conditions and changes in regulation. However, we will give you 30 days' notice of any increase to fees where required. The Constitution for the Fund sets the maximum amount we can charge for all fees. If we wished to raise fees above the amounts allowed for in the Fund's constitution, we would need the approval of investors.

Please refer to Pella's website for any updates on our estimates of any fees and costs (including indirect costs and transaction costs) which are not considered to be materially adverse from a retail investor's point of view. Remember, past performance is not an indicator of future performance and any fee or cost for a given year may not be repeated in a future year.

You should read the following important information before making a decision to invest in the Fund: **i** Additional explanation of fees and costs. Go to Part E of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

## 7. How managed investment schemes are taxed

**i** Investing in a registered managed investment scheme (like the Fund) is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes (like the Fund) generally do not pay tax on behalf of Australian members. Members are assessed for tax on their share of the income and capital gains generated by the Fund to which they are entitled.

You should read the following important information before making a decision to invest in the Fund: **i** Paying tax. Go to Part F of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.

## 8. How to apply

### HOW TO INVEST

You need to invest at least \$50,000 initially. Use the application form accompanying this PDS. The application form contains detailed instructions and will ask you to provide the identification documents required under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth (AML CTF Act)).

We do not earn interest, nor do we pay you interest on application monies held prior to the time we issue units to you.

Additional investments can be made at any time in writing. Generally, the minimum amount for additional investments is \$5,000.

### COOLING OFF

If you are a retail investor investing directly into the Fund and you decide that you don't want the units we have issued you in the Fund, you have 14 days to tell us, starting on the earlier of when we send you confirmation that you are invested or the end of the 5th day after the day on which we issue the units to you.

We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$10,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, we may charge you on account of the reduced unit value and you would incur a buy spread of +0.25% and a sell spread of -0.25%. This means that \$9,875.25 would be transferred from the Fund back to you.

This right terminates immediately if you exercise a right or power under the terms of the product, such as transferring your units or voting on any units held by you. For any subsequent investments made under a distribution reinvestment plan, cooling off rights do not apply.

## 9. More information

### FUND PERFORMANCE

If you are interested in up to date Fund performance or current unit prices then ask your financial adviser or go to [www.pellafunds.com](http://www.pellafunds.com).

**Don't forget that any past returns are just that, just because they happened doesn't mean they will happen again. Returns are volatile and may go up and down significantly and sometimes quickly. Past performance is not necessarily a guide to future performance.**

### INVESTING VIA A WRAP

This Fund is available to investors investing through a wrap platform. Please see the Information Booklet for further details.

### KEEPING YOU INFORMED

For each direct investor, we will:

- Confirm every transaction you make
- Soon after June each year send you a report to help you with your tax return
- Each year (around September) make the audited annual financial report of the Fund available upon request
- Send you your annual statement and
- Notify you of any material changes to this PDS and any other significant event.

Where the Fund has 100 investors or more, the Fund is considered a "disclosing entity" for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

### ENQUIRIES AND COMPLAINTS

For enquiries, contact Pella during business hours (9am to 5pm Sydney time). Pella's details are at the beginning of this PDS. It helps if you have your investor number handy when you contact Pella.

Perpetual has established procedures for dealing with complaints. If an investor has a complaint, they can contact Perpetual or Pella during business hours, using the contact details provided on the first page of this PDS.

Perpetual will endeavour to resolve your complaint fairly and as quickly as we can. We will respond to your complaint within the maximum response timeframe of 30 days. If we are unable to respond within the maximum response time because we have not had a reasonable opportunity to do so, we will write to you to let you know of the delay.

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via a Wrap) can access Perpetual's complaints procedures outlined above. If investing via a Wrap and your complaint concerns the operation of the Wrap then you should contact the Wrap operator directly.

If an investor is not satisfied with the final complaint outcome proposed, any aspect of the complaints handling process or a delay in responding by the maximum response time, the Australian Financial Complaints Authority (AFCA) may be able to assist. AFCA operates the external complaints resolution scheme of which Perpetual is a member. If you seek assistance from AFCA, their services are provided at no cost to you.

You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

Email: [info@afca.gov.au](mailto:info@afca.gov.au)

Website: [www.afca.org.au](http://www.afca.org.au)

### PRIVACY

We use personal information about you to administer your investment and also to conduct research.

### AML CTF ACT AND AUTOMATIC EXCHANGE OF INFORMATION

To meet our obligations under the AML CTF Act, taxation or other relevant reporting legislation, we may require further information from you as to identity, the source of your funds and similar matters. We are required to verify that information by sighting appropriate documentation.

### CONSENTS

The Investment Manager and Mainstream have each given, and as at the date of this PDS have not withdrawn, their consent to inclusion in the PDS of the statements concerning them in the form and context in which they are included.

### INFORMATION FOR NEW ZEALAND INVESTORS

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

You should read the following important information before making a decision to invest in the Fund: **i** Investing via a wrap, **i** Keeping you informed, **i** Privacy, **i** Anti-money laundering, **i** Information for New Zealand Investors. Go to Part G of the Information Booklet available at [www.pellafunds.com](http://www.pellafunds.com). Note the information may change between the time when you read this PDS and when you acquire the product.