Perennial Partners

Talented teams, great opportunities.

Perennial Microcap Resources Trust

Information Memorandum (IM)

26 August 2023

Contact details

Trustee
Perennial Investment Management Limited

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

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Contents

Updated information

The information in this IM is up to date at the time of preparation. Information in this IM is subject to change from time to time. Where changes are not materially adverse to investors, updated information about the Trust can be obtained anytime from Perennial's website **www.perennial.net.au**. A paper copy of updated information will be provided free of charge on request. All parties have given, and as at the date of this IM not withdrawn their consent to being named in the form and context in which they are named in this IM. This consent is given on the basis that all parties have not authorised or caused the issue of the IM, do not make or purport to make any statement in this IM other than as specified; and to the maximum extent permitted by law, take no responsibility for any statements in or omissions in this IM other than the reference to their name in a statement included in this IM with their consent as specified. Such parties expressly disclaim and take no responsibility for any statements or omissions in the IM. This applies to the maximum extent permitted by law and does not apply to any matter to the extent to which the consent is given above. The investment offered in this IM is available only to persons receiving this IM (electronically or in hard copy) within Australia and New Zealand. Applications from outside Australia and New Zealand will not be accepted. All monetary amounts referred to in this IM are given in Australian dollars and all phone numbers are to phone numbers in Australia (unless otherwise stated).

1. About Perennial Partners, the Trustee and Manager

Perennial Investment Management Limited (**PIML**) is the trustee of the Trust and is responsible for the management and administration of the Trust. PIML is referred to as 'Trustee', 'we', 'us' and 'our' throughout this document. PIML has appointed Perennial Value Management Limited (ABN 22 090 879 904, AFSL 247293) (**Perennial Value**) to manage the investments of the Trust.

PIML and Perennial Value are part of Perennial Partners Limited (ABN 90 612 829 160) (**Perennial Partners**), a house of specialist investment teams who partner with outstanding investment people pursuing great investment outcomes in segments where active management can add meaningful value. The common thread is highly talented teams, solely focussed on discovering great investment opportunities. Perennial Partners provides its investment partners with strategic, operational and distribution expertise and access to an investor base made up of financial advisers, wealth managers, institutional, high net worth and family offices, while allowing them to focus on managing money. Perennial Partners has been appointed as a corporate authorised representative of Perennial Value (CAR 1293138). Perennial Value and Perennial Partners are both related body corporates of PIML.

PIML, Perennial Value and Perennial Partners are collectively referred to in this document as '**Perennial**'.

Neither Perennial Partners, nor PIML, nor Perennial Value guarantees the performance of the Trust or the return of capital or income. Your investment in the Trust is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested. An investment in the Trust does not represent an investment in, deposit or other liability of Perennial.

PIML has appointed HSBC Bank Australia Limited (ABN 48 006 434 162) (**HSBC** or **custodian**) as the custodian of the assets of the Trust.

2. How the Trust Works

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

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

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

When you make an investment in the Trust, your units will be allocated to you based on the entry price for the business day your application is effective. When you withdraw, your units will be redeemed based on the exit price for the business day on which your withdrawal request is effective. The entry price is calculated by taking the net asset value of the Trust and adding to it an amount which reflects the estimated cost of acquiring the Trust's assets (subject to PIML's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in the Trust.

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

Current unit prices for the Trust are available on the Perennial website **www.perennial.net.au** or by contacting a Client Services Team on 1300 730 032 (or +612 8823 2534 New Zealand) or by emailing **perennial@unitregistry.com.au**.

The constitution of the Trust allows PIML to exercise discretions (for example, determining Transaction Costs and rounding) which may affect unit pricing. The unit pricing discretions policy sets out, among other things, the principles that PIML adheres to when exercising these discretions. This policy is available upon request.

Applications and withdrawals

	Amount $
Minimal initial investment	25,000
Minimum additional investment amount	5,000
Minimum withdrawal amount	5,000
Minimum investment balance	25,000

Your initial investment and additional investments may be made by electronic funds transfer (ETF) . or BPAY®[1]. The Biller Code of the Trust is 216895. Where the request is made via BPAY before 2.00 pm on a Melbourne business day, we will generally process the request using the unit price applying to the close of the following business day.

Confirmation of your withdrawal will be sent to you usually within seven (7) business days after your withdrawal request is finalised. Where a valid application for an initial investment or additional investment, withdrawal or switch request is received before 2.00 pm via EFT on a Melbourne business day, we will generally process the request using the unit price applying to the close of business that day. PIML may, at its discretion accept amounts less than the minimum initial investment amount.

Restrictions on withdrawals

We will not satisfy a withdrawal request (including switches) if the Trust becomes illiquid (as defined under the Corporations Act 2001 (**Corporations Act**)). In certain circumstances we may suspend withdrawals. In some circumstances we may compulsorily redeem your units, for example where the law prohibits you from being an investor in the Trust.

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

Distributions

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

The net distributable income of the Trust is allocated to investors on a per-unit basis according to the number of units held in the Trust at the end of the distribution period. Distributions are calculated annually and are generally sent to investors within one (1) month of the last day of the distribution period. However, the constitution of the Trust provides for distributions to be paid within a period of two (2) months of the last day of the distribution period (unless an audit is required, in which case distributions may be made as soon as possible after completion of the audit).

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

You will be sent a statement detailing your distributions.

3. Benefits of investing in the Trust

The Trust is an actively managed portfolio of Australian small and microcap listed companies operating in the business of commodity production, commodity investment or as a service provider to the industry of commodity production.

The significant benefits of investing in the Trust include:

Access to investment opportunities

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

Professional management

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

Right to distributions (if any)

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

Easy access to your information

For the latest available information on the Trust, you can visit www.perennial.net.au, contact the Client Services Team on 1300 730 032 (+612 8823 2534 New Zealand), email **perennial@unitregistry.com.au** or speak to your financial adviser.

4. Risks of managed investment schemes

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

Risks of investing in the Trust

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

Market risk

Unexpected conditions (e.g. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. Perennial's careful analysis and detailed research in combination with diversified holdings, aims to minimise this risk.

Concentration risk

When investments are concentrated in a smaller number of securities than the broader market index, the unit price of the Trust may be more volatile than the return of the benchmark. The Trust has both security and sector limits relative to the market index which aims to manage this risk by ensuring satisfactory diversification.

Company or security-specific risk

A number of factors can adversely affect the value of a specific security in which the Trust invests and therefore impact the Trust. Perennial's careful analysis and detailed research in combination with diversified holdings, aims to minimise this risk.

Currency risk

Trusts investing in international markets are exposed to changes in exchange rates. The possibility that foreign currencies may fall in value relative to the Australian dollar can have an adverse impact on investment returns. This risk may be partially or fully offset by hedging using forward exchange contracts or appropriate derivative instruments.

Liquidity risk

If a security cannot be sold quickly enough to minimise a potential loss or to satisfy withdrawal requests, the Trust's performance may be impacted or it may experience difficulty satisfying its commitments including withdrawals. The risk management guidelines adopted by Perennial are designed to minimise liquidity risk through applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.

Derivative risk

The Investment Manager may use derivatives to control the various risks associated with investing by modifying the exposure to particular assets, asset classes or currencies. Most commonly, derivatives are used for hedging and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements over time. Derivatives may also be used by the Investment Manager as an alternative to investing in physical assets because of their cost and liquidity efficiency. Gains or losses can result from investments in derivatives.

In addition to any risk associated with the underlying asset (or index) for which a derivative is valued, derivative prices are affected by other factors including: market liquidity; interest rates; and counterparty risk. Perennial Value seeks to mitigate the risks through a range of risk management strategies including the use of limits on positions.

Investment Manager risk

Is the risk that the Trust's investment objective will not be achieved and/or it may underperform the benchmark or may underperform other investment managers in the same asset class. The risk is reduced by the active management of the Trust's assets.

Trustee risk

Is the risk that PIML does not properly discharge its duties in the management of the Trust. We aim to keep trustee risk to a minimum by monitoring the Trust, acting in your best interests and ensuring compliance with legislative requirements.

Cyber risk

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

Other risks

Managed investment schemes are also subject to operational risk in that circumstances beyond our control may prevent us from managing the Trust in accordance with its investment strategy. These circumstances may include strikes or industrial disputes, fires, war, civil disturbances, terrorist acts, state emergencies and epidemics. Risk can be managed but it cannot be completely eliminated. It is important to understand that:

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

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

5. How we invest your money

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

Investment return objective	The aim of the Trust is to generate a return (net of fees and costs) in excess of the Benchmark over the long term by investing in a portfolio of Australian small and microcap listed and unlisted companies operating in the business of commodity production, commodity investment or as a service provider to the industry of commodity production.
Minimum suggested investment timeframe	Five (5) years
Suitable investor profile	The Trust may be suitable for wholesale investors with an investment horizon of five (5) or more years, who are seeking exposure to a portfolio of small and microcap listed and unlisted companies operating in the business of commodity production, commodity investment or as a service provider to the industry of commodity production.
Asset classes and asset allocation ranges	See table below
Benchmark	S&P/ASX Small Ordinaries Resources Index
Description of Trust	The Trust invests in a portfolio of Australian small and microcap listed and unlisted companies operating in the business of commodity production, commodity investment or as a service provider to the industry of commodity production. The cornerstone of this approach is a strong emphasis on company research. The aim is to develop a detailed understanding of each company before committing investors' funds. The portfolio will hold in the range of 20 to 70 stocks. The Trust is authorised to invest up to 20% in unlisted investments and up to 20% in cash. The maximum market capitalisation of securities held in the Trust will be $500 million at the time of initial investment. The Trust may purchase a stock with a market cap exceeding $500m if the initial investment occurred when its market cap was less than $500m. Such stocks are subject to a 30% maximum of the portfolio. The Trust is authorised to utilise derivative instruments for risk management purposes, subject to the specific restriction that they cannot be used to gear portfolio exposure.
Risk level	High risk of short-term capital loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested timeframe.
Trust performance	Up to date performance, unit prices and commentaries are available on request or via email to your advisor.
Distribution frequency	Annual (if any)
Labour standards, environmental, social, and ethical considerations	Perennial Value takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising investments. As a signatory to the United Nations-backed Principles for Responsible Investment, Perennial Value has incorporated environmental, social and corporate governance (ESG) principles into its investment processes. Perennial Value believes that a holistic view of investments including consideration of ESG factors will promote a well-rounded approach to investing with better return outcomes for clients. For further information, please visit the ESG section of Perennial's website **www.perennial.net.au**.
Changes to Trust Details	We have the right to close or terminate the Trust and make changes to the Trust including the investment return objective, the benchmark, asset classes and asset allocation ranges and currency strategy (if any), without prior notice in some cases. We will inform investors of any material change to the Trust's details via Perennial's website **www.perennial.net.au**, in the next regular communication or as otherwise required by law.

Asset classes and asset allocation ranges:

Asset Class	Allocation
Australian listed securities	60-100%
Australian unlisted investments	0-20%
Cash	0-20%

6. Fees and 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 Section 7 of this IM. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Perennial Microcap Resources Trust		
Type of Fee or Cost	**Amount**	**How and when paid**
Ongoing annual Fees and Costs [1]		
Management Fees and Costs The fees and costs for managing your investment	Estimated to be 1.35% p.a. of the assets of the Trust, comprised of: 1.Investment Management Fee: 1.20% p.a.	The Trust's Management Fee is 1.20% p.a. of the net asset value of the Trust, calculated daily. The Management Fee is deducted from the assets of the Trust and is paid monthly in arrears to PIML. The Investment Management Fee is reflected in the Trust's unit price.
	2. Expense Recovery: 0.15% p.a.	The Expense Recovery of 0.15% p.a. of the net asset value of the Trust accrues daily and is paid monthly to PIML from the assets of the Trust. The Expense Recovery is reflected in the Trust's unit price.
	3.Indirect Costs: Nil.[2]	Indirect Costs will be deducted from the assets of the Trust as and when incurred.
Performance Fees Amounts deducted from your investment in relation to the performance of the Trust	1.00%[3]	The Trust's Performance Fee is 15% of the Trust's net return, in excess of the benchmark return. The Performance Fee is calculated and accrued on a daily basis and is paid to PIML at the end of each calendar month where there is a positive aggregate Performance Fee balance.
Transaction Costs The costs incurred by the scheme when buying or selling assets	0.29%[4]	Transaction Costs are not covered by the buy/sell spread. They are instead paid out of the assets of the Trust at an additional cost to you and are reflected in the Trust's unit price.
Member activity related fees and costs (fees for services or when your money moves in or out of the 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
Buy-sell Spread An amount deducted from your investment representing costs incurred in transactions by the scheme	**Buy:** 0.30% **Sell:** 0.30%	Estimated Transactional Costs are allocated when an investor buys or sells units in the Trust by applying a 'buy spread' and a 'sell spread'. The buy/sell spreads are an additional cost to you when transacting but, as they are reflected in the unit price of the Trust, they are not charged to you separately.
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
Switching Fee The fee for changing investment options	Nil.	Not Applicable

[1] The fees are inclusive of the Goods and Services Tax (GST) and take into account any expected Reduced Input Tax Credits (RITCs). Where fees have been quoted to two (2) decimal places, the actual fee may have been rounded up. [2] Indirect Costs are calculated with reference to the relevant costs incurred during the financial year ending 30 June 2023. Based on information available as at the date of this IM, the Trust did not incur any Indirect Costs in the past financial year, although the Trust may incur these costs in the future. [3] The reasonable estimate of the Performance Fee is based on the average of the actual Performance Fees paid since inception of the Trust in August 2021. [4] Transaction Costs are shown net of any amounts recovered by the Trust from the buy-sell spread charged to transacting investors based on the previous financial year.

Additional Explanation on fees and costs

Management Fees and Costs

1. Investment Management Fee

The Investment Management Fee of 1.20% p.a. of the net asset value of the Trust is payable to PIML for overseeing the management and administration of the Trust. Out of this fee PIML pays a portion to Perennial Value for managing the assets of the Trust. The Investment Management Fee is accrued daily and is paid from the Trust monthly in arrears.

2. Expense Recovery

PIML is entitled to recover the expenses it reasonably incurs in the proper performance of its duties as the Trustee of the Trust. Expenses such as custody charges, administration and accounting costs, registry fees, audit fees and tax fees will be recovered via the Expense Recovery, which will not exceed 0.15%p.a. of the net asset value of the Trust in any one financial year.

In addition to the Expense Recovery, if any unusual or non-recurrent expenses are incurred, such as the expenses associated with holding a unitholder meeting, PIML reserves its right to deduct these expenses from the Trust's assets as and when incurred.

The Expense Recovery accrues daily and will be paid to PIML monthly. The amount included in the table of fees and costs is calculated with reference to the relevant costs incurred during the financial year ending 30 June 2023, and is based on no unusual or non-recurrent expenses being incurred.

3. Indirect Costs

Indirect Costs are the costs incurred in managing the Trust's assets which directly or indirectly reduce the return on the Trust. Indirect Costs include any amounts not charged as a fee that PIML knows, or may reasonably estimate, has reduced or will reduce (directly or indirectly) the income of the Trust, or the value of the Trust's assets. It is estimated that there are no additional indirect costs associated with investing in the Trust. However, if unusual or non-recurrent expenses are incurred, PIML will deduct these from the Trust's assets. Indirect Costs do not include Transaction Costs and may differ from the current financial year in the future. (see 'Transactional and Operational Costs' section below).

Performance Fees

Under the Trust's constitution, PIML is entitled to receive a Performance Fee from the Trust. 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 unit price x 15%. The daily Performance Fee is the amount that the Trust has outperformed (or underperformed) the benchmark return multiplied by the Net Trust Value for the previous day, with this amount then multiplied by 15%. This daily Performance Fee amount is added to or subtracted from (if the Trust has underperformed) the aggregate Performance Fee amount accrued up until the previous day. If the aggregate Performance Fee amount up to that day is positive, both positive and negative Performance Fee amounts will be reflected in the unit price. If the aggregate Performance Fee up to that day is negative, no Performance Fee amount will be reflected in the unit price. Any negative Performance Fee amount will be brought forward to be offset against any positive Performance Fee in the future. The Performance Fee at the end of each calendar month is the sum of the daily Performance Fee accrued during the month plus any amounts carried over from previous months if the Performance Fee was not paid at the end of the previous calendar month. Once the Performance Fee is paid to the Trustee, the aggregate Performance Fee is set to zero. While the Performance Fee is calculated and accrued on a daily basis, the Trustee will only be paid the Performance Fee at the end of each calendar month if there is a positive aggregate Performance Fee balance at the end of that month, and the following conditions are satisfied:

- The Trust's net return for that month is positive.
- The Trust has outperformed the benchmark over that month.
- Any previous underperformance versus the benchmark is first recovered.

Based on the current calculation methodology for the Performance Fee, PIML has estimated that the typical ongoing Performance Fee payable per annum may be $500 assuming an average account balance of $50,000 during the year. However, this is not a forecast as the actual Performance Fee for the current and future financial years may differ. PIML cannot guarantee that Performance Fees will remain at their previous level or that the performance of the Trust will outperform the benchmark. It is not possible to estimate the actual Performance Fee payable in any given period as we cannot forecast what the performance of the Trust will be, but it will be reflected in the management costs for the Trust for the relevant year.

Transactional and Operational Costs

In managing the assets of the Trust, Transaction Costs such as brokerage, settlement, clearing, stamp duty, and the difference between the actual price paid or received for acquiring or disposing of an asset and its actual value at that time may be incurred by the Trust. These costs are generally incurred as a result of applications or redemptions from the Trust or when the Trust sells or buys assets as part of its day-to-day trading activities.

Buy/sell spread

Transactional Costs which arise as a result of applications and redemptions will be recovered from the applicants and redeeming investors in the form of a 'buy spread' and a 'sell spread'. The buy/sell spreads are an additional cost to you when transacting but, as they are included in the unit price of the Trust, they are not charged to you separately. The buy/sell spread is the difference between the entry price and the exit price of the units in the Trust. Buy/sell spreads are not retained by us but rather paid to the Trust to ensure that other investors are not disadvantaged by the trading activity arising from applications or redemptions. As at the date of this IM, the estimated buy/sell spread added on buying or deducted on selling is 0.30%. The following example is based on an application or redemption of $25,000 in or from the Trust.

	Buy/Sell spread	Cost
Application	0.30%	$75
Redemption	0.30%	$75

From time to time, we may vary the buy/sell spread and we will not ordinarily provide prior notice. Any revised spread will be applied uniformly to transacting investors while that spread applies.

Other Transactional Costs

Transaction Costs which arise from trading activity to execute the Trust's investment strategy and are not the result of applications into and redemptions from the Trust are not covered by the buy/sell spread. They are instead paid out of the Trust's assets.
These costs are an additional cost to you and are reflected in the Trust's unit price and are not paid to us. These costs are an additional cost to you and are reflected in the Trust's unit price and are not paid to us. The total Transaction Costs for the Trust for the financial year ending 30 June 2023, was 0.33% of the net asset value of the Trust, of which approximately 0.4% was recouped via the buy/sell spread when applications and redemptions took place. The difference of 0.29% reflected the day-to-day trading costs and was factored into the net investment return of the Trust. These costs may vary in future. If an investor had a balance of $100,000 through the year, their investment would have been impacted by $290 for the year.

Can the fees change?

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

7. How managed investment schemes are taxed

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

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

- Unregistered managed investment schemes do not pay the tax liability on behalf of Australian resident investors.
- As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Trust.

Attribution Managed Investment Trust

The Attribution Managed Investment Trust (AMIT) regime has been designed specifically for managed investment trust, to provide certainty and flexibility to managed trust and their investors.

PIML has made an irremovable decision election for all eligible Trusts to enter into the AMIT regime, which came into effect on 2 July 2017 (or from the commencement year for eligible Trusts that launched after 30 June 2018) on the basis that entry into the AMIT regime is in the investor's best interests. The constitution for each Trust complies with the AMIT regime. The AMIT regime adequately deals with "unders" and "overs" and, facilitates and simplifies the distribution calculation process.

Taxation of non-resident investors

If a non-resident investor is entitled to taxable income of the Fund, the investor may be subject to Australian tax at the rates applicable to non-residents. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Trustee in respect of your tax liability.

8. How to apply

A	Read this IM
B	Eligible investors should complete all sections of the Perennial Trusts application form available from **www.perennial.net.au** or by calling 1300 730 032 (+612 8823 2534 New Zealand). We need to collect this information to comply with Anti-Money Laundering and Counter-Terrorism Financing Legislation.
C	Read and sign the declaration in the application form.
D	Send your application form together with your supporting documents and electronic payment for your initial investment to us (by email to **perennial@unitregistry.com.au** or by post to the postal address on Page 1 of this IM). We recommend that you keep copies for future reference. For an initial investment via BPAY please tick the appropriate box within the application form. For an initial investment via EFT please refer to the application form.

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.

9. Other important information

Privacy

We collect personal information from you in order to process your application, administer your investment and to provide you with information about your investment. We may disclose that information to other companies that provide services on our behalf.

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

You are not required to quote your Tax File Number (TFN) or, if you have one, an Australian Business Number (ABN),5 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

Under the Foreign Account Tax Compliance Act ("FATCA"), the Trustee is required to collect and report information about certain investors identified as U.S. tax residents or citizens. In order to comply with its FATCA obligations, the Trustee may request investors to provide certain information ("FATCA Information").

To the extent that all FATCA Information is obtained, the imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities shall not apply. Although the Trustee attempts to take all reasonable steps to comply with its FATCA obligations and to avoid the imposition of the withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, the Trustee may provide FATCA Information to the Australian Taxation Office ("ATO"). Please be aware that the Trustee may use an investor's personal information to comply with FATCA and may contact an investor if additional information is required.

Common Reporting Standard

The Common Reporting Standard (CRS) requires the Trustee to collect certain information about an investor's tax residence. If an investor is a tax resident of any country outside Australia, the Trustee may be required to pass certain information about the investor (including account-related information) to the ATO. The ATO may then exchange this information with the tax authorities of another jurisdiction or jurisdictions, pursuant to intergovernmental agreements to exchange financial account information.

Although the CRS does not involve any withholding tax obligations, please be aware that the Trustee may use an investor's personal information to comply with the CRS obligations and may contact an investor if additional information is required. For investors who apply for units directly with the Trustee, the account opening process cannot be completed until all requested information has been provided.