



# INFORMATION BOOKLET

## ORCA FUNDS

The Trust Company (RE Services) Limited | ABN 45 003 278 8231 | AFSL No. 235150 | Issue Date 1 February 2021

This Information Booklet has been prepared and issued by the Trust Company (**RE Services**) Limited (**Responsible Entity** or **Perpetual**). The information in this document forms part of the Product Disclosure Statement (**PDS**) for each of the following funds (together, **Orca Funds** or **Funds** or **Series**):

FUNDS	ARSN	APIR	PDS DATE
Orca Global Disruption Fund ( <b>Disruption Fund</b> )	619 350 042	PIM4432AU	1 February 2021
Orca Global Fund ( <b>Global Fund</b> )	158 717 072	PIM8122AU	1 February 2021
Orca Asia Fund ( <b>Asia Fund</b> )	624 216 404	PIM9684AU	1 February 2021

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The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances from your accountant, stockbroker, lawyer or other professional advisor. The information in the PDS and this Information Booklet may be subject to change from time to time. You should read this information together with the relevant Fund's PDS before making a decision to invest into a Fund.

You can access the PDS and this Information Booklet at [www.orcafunds.com](http://www.orcafunds.com) or request a copy free of charge by contacting the Investment Manager on 1300 732 541.

### DIRECTORY

Investment Manager	Responsible Entity	Unit Registry
Orca Funds Management Pty Limited ACN 619 080 045   CAR 1255 264 Level 15, 100 Pacific Highway North Sydney NSW 2060 T 1300 732 541 E <a href="mailto:info@orcafunds.com">info@orcafunds.com</a> <a href="http://www.orcafunds.com">www.orcafunds.com</a>	The Trust Company (RE Services) Limited ABN 45 003 278 831   AFSL 235150 Level 18, 123 Pitt Street Sydney NSW 2000 T 02 9229 9000 <a href="http://www.perpetual.com.au">www.perpetual.com.au</a>	Boardroom Pty Limited ABN 14 003 209 836 Level 12, 225 George Street Sydney NSW 2000 T 1300 737 760 E <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a> <a href="http://www.boardroomlimited.com.au">www.boardroomlimited.com.au</a>

# 1. HOW THE ORCA FUNDS WORK

Further information on how Orca Funds work is outlined below. This information should be read alongside section 2 of the relevant Fund's PDS.

## APPLICATIONS / WITHDRAWALS

You can acquire units in a Fund by completing either the online or paper-based application form and paying the application money as described in Section 8 of the PDS. **Online applications are preferred.**

Applications will only be processed once a correctly completed application form, identification documents (if applicable) and cleared application money are received. Application money should be paid at the time of application. The Responsible Entity reserves the right to accept or reject any application in whole or in part at its discretion.

Withdrawal requests are to be made using the withdrawal form available from [www.orcafunds.com](http://www.orcafunds.com) and are generally processed in cash within three Sydney Business Days of receipt. A Sydney Business Day means a day other than a Saturday or a Sunday on which registered banks are open for business in Sydney, New South Wales. However, the constitutions of the Funds allow the Responsible Entity up to 21 days to pay the proceeds from the time of redemption, being when the request is accepted and the redemption price is next determined. In certain circumstances such as financial markets being closed or suffering restricted trading, or where market circumstances mean that units cannot be fairly priced, the Responsible Entity can delay processing of redemption requests or payment of redemption proceeds for as long as those circumstances last.

However normally, if your correctly completed application or withdrawal form is received before 2pm Sydney time on a Sydney Business Day and your application or withdrawal request is accepted, you will receive the next unit price calculated, based on the market value of the Fund assets, adjusted for the Buy/Sell Spread (see section 6).

If your application or withdrawal is received after 2pm Sydney time or on a non-Sydney Business Day, you will receive the unit price calculated for the next Sydney Business Day.

Under the Corporations Act, we would not be able to process withdrawals on request from the Fund if the Fund were to cease to be "liquid" (as defined in the Corporations Act). In that case withdrawals would only be permitted on a pro rata basis if the Responsible Entity decides to make a withdrawal offer to unitholders.

The Responsible Entity has the discretion to redeem your units without a redemption request if your unit holding falls below the current minimum holding level, or if you have failed for 30 days to comply with a reasonable request by or on behalf of the Responsible Entity to provide information the Responsible Entity requires to comply with laws relating to anti-money laundering or counter-terrorism financing.

## SWITCHING BETWEEN FUNDS

You can simply switch all or part of your investment to another Fund managed by Orca Funds Management. The minimum switch amount is \$1,000 and a minimum balance of \$5,000 applies in each Fund. A switch is a withdrawal from one fund and an application into another, and the withdrawal is a disposal of units and as such there may be tax implications. The withdrawal and application will be subject to the Buy/Sell spread.

To switch between Funds, use the switch form available from [www.orcafunds.com](http://www.orcafunds.com).

## CONTINUOUS DISCLOSURE & UNITHOLDER COMMUNICATIONS

The Funds are disclosing entities for the purposes of the Corporations Act and will be required to comply with the continuous disclosure regime under the Corporations Act. As disclosing entities, the Funds will be subject to regular reporting and disclosure obligations.

The Responsible Entity can also provide you with a copy of:

- the annual financial report most recently lodged with ASIC for any of the Funds (if any);
- any half-year financial statement lodged with ASIC for any of the Funds after the lodgement of that annual financial report and before the date of the relevant Fund's PDS; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of the relevant Fund's PDS.

Copies of documents lodged at ASIC in relation to the Fund may be obtained from or inspected at an office of ASIC. The Investment Manager will also provide a copy of any of the above free of charge on request. To obtain a copy please call 1300 732 541 or download a copy from [www.orcafunds.com](http://www.orcafunds.com).

Should the Responsible Entity become aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable at [www.orcafunds.com](http://www.orcafunds.com).

The following table summarises the information which will be made available to unitholders in the Funds and where that communication can be found. Investors can update their communication preferences with the unit registry, Boardroom Pty Limited. Boardroom can be contacted by phone on 1300 737 760 or via their website: <https://www.investorserve.com.au/>.

COMMUNICATION	FREQUENCY	LOCATION
Unit prices detailing the application price and withdrawal price for the Funds	Generally daily	Fund page on series website
Fund portfolio update containing details about the performance of the Fund, the top 10 portfolio holdings, sector and country exposures and a written portfolio manager update	Monthly	Fund page on series website and email
Quarterly video updates will be provided for the Funds	Quarterly	Fund page on series website and email
Annual audited Fund financial reports	Annually	Fund page on series website
Annual distribution advice statements (as applicable)	Annually	<a href="http://www.investorserve.com.au">www.investorserve.com.au</a>
Income tax statements	Annually	<a href="http://www.investorserve.com.au">www.investorserve.com.au</a>

**Series website:** [www.orcafunds.com](http://www.orcafunds.com)

## 2. BENEFITS OF INVESTING IN THE ORCA FUNDS

*Further information on the 'Benefits of investing in the Orca Funds' is outlined below. This information should be read alongside section 3 of the relevant Fund's PDS.*

### THE INVESTMENT MANAGER

Orca Funds Management Pty Limited (**Orca Funds Management**) is the investment manager for the Funds (**Investment Manager**). The Orca Funds Management Investment Team has more than two decades of experience in managing global equities and fixed income funds.

Orca Funds Management has an investment team of seven investment professionals who, as at 31 December 2020, collectively manage over \$790 million of funds. The key team members are outlined below.

#### **Ted Alexander | Head of Investments**

Ted is the Head of Investments at Orca Funds Management. He served as Head of Healthcare at Magellan Financial Group from August 2014 and Portfolio Manager from 2016 until 2018. He also served as the Head of Alternative Investments at Neptune Investment Management Limited from July 2012 to December 2013, and as a Fund Manager from December 2008 to December 2013. Ted joined Neptune Investment Management Limited in September 2007 as an Investment Analyst responsible for global research of the technology and telecoms sectors. Prior to this, he was a Market Analyst at the Reserve Bank of Australia in Sydney.

Ted earned an M.Phil in Economics from Oxford University as a Rhodes Scholar. He also received a Bachelor's Degree in Economics with First Class Honours in Financial Economics from the University of Tasmania.

#### **Raymond Tong | Portfolio Manager | Disruption Fund**

Raymond Tong began working in the finance industry in 2002 at UBS Wealth Management as a portfolio reporting analyst before moving to a corporate finance role at Ernst and Young in 2004. Raymond joined Goldman Sachs JBWere (now Goldman Sachs) as an associate analyst in 2005, covering the telecoms, media and gaming sectors. In 2013, Raymond was made lead analyst in the telecoms sector and increased coverage to include the media and internet sectors over the next three years. Raymond has been rated in the top three analysts in the Australian telecoms sector over a number of years.

Raymond completed a Bachelor of Mechanical Engineering (Honours) and Commerce (Finance) at the University of Melbourne in 2001. Raymond also completed the CFA program in 2007. Raymond joined Evans and Partners in 2017 as a Senior Research Analyst. He was appointed Portfolio Manager in October 2018, focusing his efforts on the Global Disruption strategy.

#### **Ying Luo | Assistant Portfolio Manager | Asia Fund**

Ying joined the Investment Manager in 2018 and brings more than 12 years of dedicated equity research experience to her specialist role, where she researches and recommends high-quality companies with attractive risk-adjusted returns over the long-term period in the Asia Pacific region.

Prior to joining the team, Ying worked at Principal Global Investors in the Global REITs team, where she was responsible for the research and analysis of Australian and New Zealand listed real estate companies. She also worked for AMP Capital Investors for nine years as a senior investment analyst and was responsible for company fundamental analysis for two of their key Asia funds.

Ying has a Masters of Commerce from the University of New South Wales and a Bachelor of Commerce from the University of Melbourne. She is also a CFA charter holder and full member of CPA Australia.

### **Jumana Nahhas | Assistant Portfolio Manager | Global Fund**

Jumana joined the Investment Manager in 2018 as Assistant Portfolio Manager on the Global Fund. She brings more than 12 years of dedicated equities research experience spanning the European market and some select Asia Pacific markets. While experienced as a generalist, a specialist area of interest for Jumana is the Financial Services sector.

Prior to joining the team, Jumana lived in London for eight years. She was an investment analyst at Lansdowne Partners for four years, where she worked on the Lansdowne European Equity Fund (long/short strategy). She was also a senior analyst at CFRA Investment Research, publishing reports on companies that underperformed markets, due to accounting or capital deficit issues. This role gave Jumana essential insights into potential red flags in company reporting and practises to avoid in any quality stock selection. Prior to leaving Australia, Jumana also spent time at Credit Suisse, where she covered the Australian Insurance sector.

Jumana holds a Bachelor of Science and Bachelor of Commerce with First Class Honours from the University of Sydney.

### **Kunal Valia | Assistant Portfolio Manager | Global Fund**

Kunal joined the Investment Manager in 2018 as an Assistant Portfolio Manager.

Prior to his current position, Kunal worked as a healthcare analyst at Magellan Financial Group for three years, analysing large global pharmaceutical and health service companies as well as carrying out research to support investments. As a Doctor of Medicine, he practised across different hospitals in Australia for six years, before deciding to leverage his medical experience and follow his passion for investments.

Kunal holds a Master of Applied Finance from Macquarie University and a Bachelor of Medicine and Surgery from the Maharashtra University of Health Sciences. He is also a CFA Charter holder.

### **POTENTIAL CONFLICTS OF INTEREST**

The Investment Manager may be the investment manager of other funds not described in this offer document and entities within the Perpetual Group (comprising Perpetual Limited and its subsidiaries, including Perpetual) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and manage any conflicts.

## **3. RISKS OF MANAGED INVESTMENT SCHEMES**

*Further information on the 'Risks of managed investment schemes' is outlined below. This information should be read alongside section 4 of the relevant Fund's PDS.*

The table below summarises key risks the Responsible Entity believes are the major risks associated with an investment in the Funds. Unless otherwise specified, the risks listed apply to all Funds.

It is important to understand that:

<b>SIGNIFICANT RISK</b>	<b>DESCRIPTION</b>
<b>Investment Manager risk</b>	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.
<b>Investment selection and strategy risk</b>	The Fund's performance depends on the investment decisions made. The Investment Manager may make investment decisions that result in low returns or loss of capital invested. There is no guarantee that the Fund's strategy and individual investment selections will provide positive investment performance at all stages of the investment cycle.
<b>Equity risk</b>	There is a risk that the market price of securities will fall over short or extended periods of time. Unitholders in the Fund are exposed to this risk both through the underlying investments in which the Fund will invest and through general market fluctuations in the price of the Fund's units.
<b>Concentration risk</b>	The Fund may invest a relatively high percentage of its assets into a relatively small number of securities, or into securities with a relatively high level of exposure to the same sector. This may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.
<b>Currency risk</b>	The Fund's investments will be primarily denominated in foreign currencies. The value of the units will be affected by increases and decreases in the value of the Australian dollar against foreign currencies in which investments are held, except to the extent any hedging of the Portfolio is implemented. Hedging is not presently intended.

<b>SIGNIFICANT RISK</b>	<b>DESCRIPTION</b>
<b>Foreign issuer risk</b>	The Global equity markets in which the Fund will invest may differ to the Australian equity market. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market instability, taxation, and corporate governance risks than domestic investments. Such securities may be less liquid, more volatile and more difficult to value. Future foreign government actions in the relevant countries or regions concerning the economy, dealing with foreign entities, repatriation of funds, corporate policies, taxation policies, environmental policies and change in political conditions could have a significant effect on the Fund.
<b>Market risk</b>	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.
<b>Investment mandate risk – Disruption Fund</b>	The Fund has an investment mandate centred around identification of investment opportunities expected to benefit from disruptive innovation. It may be difficult to predict technological, operational, financial and security price performance of securities in a constantly evolving disruptive environment.
<b>Private investments risk – Disruption Fund</b>	The Fund may invest in private companies, that is, unlisted securities. Investments in private companies are generally less liquid and more difficult to realise than listed securities and may be more difficult to value.
<b>Key personal risk</b>	There is a risk of departure of key staff or consultants with particular expertise in the sector, whether they are the staff of the Investment Manager, members of the Investment Committee (applicable to the Disruption Fund only), the Portfolio Manager or independent advisors or consultants. This may have an adverse impact on the Fund as the performance of the Fund depends on the skills and experience of personnel.
<b>Liquidity risk</b>	Access to your money may be delayed. Overall market liquidity may contribute to the profitability of the Fund and access to your money. Units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker. Unit holders may not be able to redeem their investment promptly where stocks in the portfolio are considered illiquid due to market or economic events. Be aware that a portion of the Fund may consist of unlisted investments that are generally illiquid.
<b>Operational risk</b>	The custody, administration and unit registry of the Fund has been outsourced to JP Morgan, Mainstream and Boardroom. Perpetual is satisfied that these service providers have in place adequate internal controls for its custody, administration and unit registry operations. However, there still may be breakdowns in operations and procedures that cannot be prevented.
<b>International investment risk</b>	The Fund may invest in international assets, which may give rise to currency exposure. There is a risk that currency fluctuation may adversely impact the value of international stock positions. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase and has the potential to increase the value of the Fund's investments. Conversely, if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease and this has the potential to reduce the value of the Fund's investments.
<b>Fund risk</b>	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.
<b>Counterparty risk</b>	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.
<b>Cyber risk</b>	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.
<b>Regulatory risk</b>	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.

SIGNIFICANT RISK	DESCRIPTION
<b>Distribution policy risk (Asia Fund and Global Fund only)</b>	<p>A target cash distribution of 4% per annum based on the NAV at or around the beginning of the relevant distribution period, is intended to be paid semi-annually (<b>Target Distribution</b>). The nature of the Fund's investments in equity securities means that it is unlikely that the actual income of the Fund will be exactly 4% per annum.</p> <p>There may be circumstances where the Target Distribution is not paid or is paid from capital of the Fund. Payments out of capital will reduce a unitholder's cost base.</p>
<b>Derivative risk</b>	<p>The Funds may use Derivatives for hedging purposes.</p> <p>The hedging strategies employed by the Funds may fail to hedge the exposure of the Funds to the extent desired, leading to realised returns different from those expected. The Funds may also invest in Derivatives. There is a risk that the value of Derivatives may fluctuate significantly due to a range of factors that include rises or falls in the value of the Derivative in line with movements in the value of the underlying asset, potential liquidity of the Derivative, and counterparty credit risk. As a result, potential gains or losses may be magnified.</p> <p>It is not presently intended for the Funds to use or invest in Derivatives.</p>

## 4. FEES AND COSTS

Further information on 'Fees and costs' for the Orca Funds are outlined below. This information should be read alongside section 6 of the relevant Fund's PDS.

The following table shows fees and other costs that you may be charged. You can use this to compare fees and costs with those of other investment funds. These fees and costs may be deducted from your money, from the returns on your investment, or from the Fund assets as a whole. See section 7 of this document for information about taxes. You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment Fee</b> (the fee to open your investment)	Nil	Not applicable
<b>Contribution Fee<sup>1</sup></b> (the fee on each amount contributed to your investment)	Nil	Not applicable
<b>Withdrawal Fee</b> (the fee on each amount you take out of your investment)	Nil	Not applicable
<b>Exit fee</b> (the fee to close your investment)	Nil	Not applicable
<b>Management costs (the fees and costs for managing your investment)</b>		
<b>Ongoing costs of the Fund</b>		
<b>Management Fees<sup>2</sup></b> (the fee for the management of the Fund)	<p><i>Disruption Fund: 1.31%</i>  <i>Asia Fund: 1.37%</i>  <i>Global Fund: 1.37%</i></p> <p>The above fees are per annum figures based on the Net Asset Value of the relevant Fund including the net amount of GST.</p>	<p>The management fees are payable to the Responsible Entity or the Investment Manager for managing the assets and overseeing the operations of the Funds.</p> <p>The fees are payable monthly out of the assets of the relevant Fund.</p> <p>The fees are reflected in the unit price of the Funds and are not charged separately to your investment.</p>
<b>Performance Fees</b> (Asia Fund and Global Fund only)	<p>10% of the return achieved above the higher of the Index Return Hurdle and the Absolute Return Hurdle. The estimated performance fees for the Asia Fund and the Global Fund are 0.34% and 0.29% per annum respectively<sup>3</sup>.</p> <p>No performance fee is applicable for the Disruption Fund.</p>	<p>A performance fee may be payable out of the Asia Fund and/or the Global Fund and is calculated and paid (if applicable) half yearly as at 31 March and 30 September.</p>

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Other Expenses</b>		
<b>Other Expenses</b> <i>(Disruption Fund only)</i> The fees and costs associated with the operation and administration of the Disruption Fund are able to be reimbursed to the Investment Manager, or paid directly to service providers including, but not limited to, costs associated with registry, tax, custodian, valuation, accounting, and audit.	0.15% per annum of the gross asset value of the Disruption Fund including the net amount of GST. For the other Funds, expenses are met by the Investment Manager out of its fees.	These expenses are payable out of the Fund.
<b>Total Management Costs</b>	<i>Disruption Fund: 1.46%</i> <i>Asia Fund: 1.71%</i> <i>Global Fund: 1.66%</i> The above fees are per annum figures based on the Net Asset Value of the relevant Fund including the net amount of GST.	
<b>Service Fees</b>		
<b>Investment Switching Fee</b> <i>(the fee for changing investment options)</i>	Nil	There is no fee for switching investment options although each Fund's respective Buy/Sell spread will apply.

<sup>1</sup> While there is no contribution fee, there is a buy-sell spread. See paragraph e. in the additional explanation of fees and costs section below.

<sup>2</sup> This includes the Investment Manager's and Responsible Entity's fees, normal ongoing expenses and indirect costs for the Asia Fund and Global Fund. There is an indirect cost of 0.0059% and 0.0063% p.a. included in the Management Costs of Asia and Global, respectively due to residual interests held. These investments are in the process of being redeemed. Normal ongoing expenses are capped until further notice at 0.15% p.a. of the gross asset value of the Disruption Fund, with any excess met by the Investment Manager. Normal ongoing expenses do not include transaction costs associated with the investment and management of the Funds, nor do they include extraordinary expenses such as the cost of holding members' meetings, litigation or other unanticipated costs which may be charged to the Fund if incurred. The management fees and costs for a Fund include the net effect of Goods and Services Tax (**GST**), which is the applicable rate of GST less any reduced input tax credits available to the Fund.

Management fees and costs can be negotiated if you are a wholesale client.

<sup>3</sup> The Absolute Return Hurdle is the 10-year US Government Bond yield. The Global Fund's Index Return Hurdle is the MSCI World Net Total Return Index (AUD) and the Asia Fund's Index Return Hurdle is the MSCI Asia ex Japan Net Total Return Index (AUD).

### EXAMPLE OF ANNUAL FEES AND COSTS

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

EXAMPLE	AMOUNT	BALANCE OF \$50,000
Contribution fees	Nil	For every additional \$5,000 you invest you will be charged \$0.
<b>PLUS Management Costs</b>	<b>1.46% p.a. for the Disruption Fund</b> <b>1.71% p.a. for Asia Fund</b> <i>(includes estimated performance fees)</i> <b>1.66% p.a. for Global Fund</b> <i>(includes estimated performance fees)</i>	And, for every \$50,000 you have in one of the Funds you will be charged between \$730 and \$855 each year.
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 during a year, you would be charged fees of between <b>\$730</b> and <b>\$855*</b> <b>What it costs you will depend on the Fund you choose and the fees you negotiate with the Fund or your financial adviser.</b>

\* The example is based on the net asset value of the Fund and, for Global Fund and Asia Fund includes estimated performance fees. Totals may vary from the expected number due to rounding and additional fees may apply. When calculating management costs in this table, the law says we must assume that the value of your investment remains at \$50,000 and the Fund's unit price does not fluctuate. Management costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, no additional service fees are incurred by you and that fees are not individually negotiated with us.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

The management fees and costs comprise the additional fees or costs that an investor incurs by investing in the Funds rather than by investing directly in the underlying assets of the Funds.

### a. Management fees and indirect costs

Currently, the maximum aggregate amount that will be charged to the Funds to cover the Responsible Entity's fee, the Investment Manager's fee and ordinary ongoing expenses incurred in the connection with the administration and operation of the Funds such as custodian fees, administration and audit fees, and other ordinary expenses of operating the Funds (but not including transaction costs, performance fees or extraordinary expenses) will be not more than the following percentage of the assets of the relevant Fund, including GST:

FUND	GROSS ASSETS	NET ASSETS*
Disruption Fund	1.44% (inclusive of the 0.15% per annum cap for ordinary expenses (described above))	1.46%
Asia Fund	1.35%	1.37%
Global Fund	1.35%	1.37%

\* Expressed as a percentage of the average NAV of the Fund for the financial year ending 30 June 2020.

After deducting from those maximum amounts, the normal ongoing Fund expenses and the Responsible Entity's fee (which is calculated based on a fixed annual charge and a scaled amount), the Investment Manager will receive as its fee the remainder. This allocation of fees between the Responsible Entity and the Investment Manager does not affect the amount charged to the Fund. The percentages shown above are based on gross and net assets. Management costs on gross assets are slightly lower as while the Funds do not currently borrow or otherwise leverage their investments, there are some timing differences between liabilities and payments, for example for distributions which means the gross assets of the Funds are typically higher than the net assets of the Funds.

The Asia Fund and the Global Fund invest in an interposed vehicle (e.g. an underlying fund). The investment of each Fund into the interposed vehicle is a residual interest from both of the Funds' previous investment strategies (these investments are in the process of being redeemed). As the Disruption Fund does not invest in any interposed vehicle, and none of the Funds invest in OTC derivatives, the Funds' indirect costs are estimated to be 0.0000%, 0.0059% and 0.0063% for Global Disruption, Asia and Global, respectively.

### b. Expenses relating to the management of the Funds

Under the Funds' constitutions, the fees and costs associated with the operation and administration of the Funds are able to be reimbursed to the Responsible Entity and/or the Investment Manager, or paid directly to service providers to the extent they relate to the proper performance of the Responsible Entity's duties in relation to the relevant Fund. These types of expenses include, but are not limited to, costs associated with registry, tax, custodian, valuation, accounting, and audit.

#### *Global Fund and Asia Fund*

For each of the Global Fund and the Asia Fund, the Investment Manager effectively bears the costs of all out-of-pocket expenses properly incurred by it and the Responsible Entity in connection with the operation and administration of the Funds through the reduction in the management fee it receives, as described in a. above. Transaction costs that are properly incurred in connection with the investment and management of the Funds when the Funds acquire and dispose of securities, any extraordinary expenses and performance fees (see below), are charged separately to the relevant Fund and are not part of the aggregate management costs figure described above.

#### *Disruption Fund*

For the Disruption Fund, the Investment Manager effectively bears the costs of all out-of-pocket expenses properly incurred by the Investment Manager and the Responsible Entity in connection with the operation and administration of the Fund above 0.15% p.a. (including the net amount of GST) of the gross asset value of the Fund per annum through the reduction in the management fee it receives, as described in a. above.

Transaction costs that are properly incurred in connection with the investment and management of the Funds when the Funds acquire and dispose of securities, any extraordinary expenses and performance fees (see below), are charged separately to the relevant Fund and are not part of the aggregate management costs figure described above.

#### *Extraordinary expenses and related remuneration*

From time to time, a Fund may incur extraordinary expenses that cannot currently be anticipated, such as holding a members' meeting or the costs of litigation. Under the constitutions, if such amounts relate to the proper performance of the Responsible Entity's duties in relation to the relevant Fund, they may be paid as an expense of the Fund. In addition, the Responsible Entity is entitled to be paid remuneration at an hourly rate for time spent by it in providing additional fund administration services in relation to such unanticipated matters.



### c. Performance Fee

#### *Global Fund and Asia Fund only*

The Investment Manager of the Global Fund and Asia Fund may be entitled to a performance fee, payable out of the assets of the Fund. Performance fees are calculated with reference to the Index Return Hurdle and the Absolute Return Hurdle, and are subject to a High Water Mark requirement (which is detailed below and can be reset in certain circumstances) and an overall cap. The details of the calculation methodology and the hurdles are set out below. The daily net asset value (**NAV**) per unit includes an accrual for an estimate of the performance fee that would be payable if it were the end of the relevant calculation period.

The Index Return and Absolute Return Hurdles for the Funds are outlined in the table below.

<b>FUND</b>	<b>INDEX RETURN HURDLE</b>	<b>ABSOLUTE RETURN HURDLE</b>
<b>Asia Fund</b>	The return (expressed as a percentage) of the MSCI Asia ex Japan Net Total Return Index (measured in US dollars and converted to Australian dollars) over the Calculation Period.	The applicable Absolute Return Hurdle is the published 10-year US Government Bond yield as at the first Business Day of the Calculation Period, pro-rated for the number of days in the Calculation Period.
<b>Global Fund</b>	The return (expressed as a percentage) of the MSCI World Net Total Return Index (measured in US dollars and converted to Australian dollars) over the Calculation Period.	

#### *Calculation Methodology*

The Global Fund and Asia Fund's total return per unit (**Total Return**) is the dollar movement in their respective NAV per unit during the calculation period (adjusted for any income or capital distributions and before any accrued performance fees during that Calculation Period). Adjustments will be made for any capital re-organisations such as unit divisions or consolidations. **Calculation Period** means each six-monthly period ending 31 March and 30 September in each year.

Each Fund's excess return per unit (**Excess Return**) is its Total Return less the higher of the Index Return Hurdle and Absolute Return Hurdle, expressed in dollar terms. The Investment Manager will receive a performance fee of 10% of the Excess Return (inclusive of the net effect of GST). The total performance fee is the performance fee per unit multiplied by the number of units on issue at the end of the Calculation Period.

The Investment Manager will only be entitled to a performance fee where the NAV per unit at the end of the Calculation Period exceeds the applicable High Water Mark. The **High Water Mark** is the NAV per unit at the end of the most recent Calculation Period for which the Investment Manager was entitled to a performance fee, less any intervening income or capital distributions. Should the index used to calculate the Index Return Hurdle fall more than 20% from the level of that benchmark at the date the current High Water Mark was set, then the Investment Manager may choose to reset the High Water Mark to the NAV at the end of the Calculation Period during which the High Water Mark reset was triggered. If the Investment Manager exercises this discretion, the High Water Mark will reset to be the NAV at the end of the current Calculation Period. This means that any increase in the NAV from the reset High Water Mark to the previous level would be performance for which the Investment Manager may receive a performance fee. The fee to which the Investment Manager is entitled will be subject to a performance fee cap such that the NAV per unit (after the performance fee has been paid) is not less than the applicable High Water Mark.

### d. Transactional and Operational Costs

Transactional and operational costs include brokerage, settlement costs, bid-offer spreads on investments and currency transactions and borrowing, clearing and stamp duty costs. 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.

Transactional costs which are incurred through the trading of the Funds' assets are reflected in the Funds' individual unit prices. The Investment Manager and the Responsible Entity are entitled to be reimbursed, out of the assets of the Funds, for all out-of-pocket expenses they properly incur in connection with the investment and management of the Funds.

Transactional and operational costs incurred in effecting applications into and redemptions from a Fund may be recovered by way of the buy-sell spread however, other transactional and operational costs may be incurred at other times to adjust a Fund's portfolio and, if not recovered by the buy-sell spread charged, these costs are deducted from the assets of the Fund so they are an additional cost to you which is reflected in the unit price. The amount of such costs will depend on the frequency and volume of day-to-day trading.

Net of amounts recovered from the buy-sell spread (see below) these transactional costs are estimated to be approximately 0.00% of the net asset value of each Fund for the year ended 30 June 2020 based on the trading history of the Funds while they were listed entities. This figure can equal zero when the amount received by the Fund from the buy-sell spread is greater than the Fund's incurred expenses when assets were bought or sold through that period.

#### **e. Buy-Sell Spread**

A buy/sell spread is an adjustment to the unit price reflecting the 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, a buy spread of 0.20% is added to, or a sell spread of 0.20% subtracted from, the unit price for each Fund. So, if the NAV of each unit is \$1.00, on entry we adjust the unit price up approximately 0.20% (up 0.002 cents) and on exit we adjust the unit price down approximately 0.20% (down 0.002 cents). There is no spread payable on the reinvestment of distributions.

The buy-sell spread is an additional cost to you (when you invest or withdraw your investment), and the amount is paid into and retained in a Fund so that the Fund does not bear the cost of your investment or withdrawal. Neither the Responsible Entity nor the Investment Manager receives any financial benefit from it. As the buy/sell spread is reflected in the buy/sell unit prices, you won't see transaction costs on any account statement we send you.

The Responsible Entity can alter the buy/sell spread at any time so that it more appropriately reflects the costs of acquiring and disposing of investments for the Funds, for example at times of reduced market liquidity. The buy-sell spread for the Fund may vary and increase or decrease over time. The current most recent buy-sell spread is available on the Manager's website at [www.orcafunds.com.au](http://www.orcafunds.com.au) or may be obtained by contacting the Manager. The Responsible Entity may also waive the buy/sell spread in part or in full, for example where on a given day applications and redemptions can be matched so that less trading in the Fund's investments is required. These adjustments ensure that existing investors do not pay costs associated with other investors acquiring/ withdrawing units from a Fund.

#### **f. IDPS Operators**

Annual payments may be made to some Investor Directed Portfolio Service (IDPS) Operators because they offer the Funds on their investment menus. Product access payments (which are fixed amounts and not based on the amount of Fund interests on a Platform) are made by the Investment Manager out of its management fees and are not an additional cost to the investor. The fees and expenses applicable to Indirect Investors in relation to the Funds should be disclosed in the disclosure document for their Platform. These may be different from the fees and expenses described in this Information Booklet and the PDS.

#### **g. Adviser Fees**

Additional fees may be paid to your financial advisor if one is consulted. You should refer to the Statement of Advice they give you in which details of the fees are set out.

#### **h. 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.

#### **i. Waiver, Deferral or Increase in Fees & Costs**

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian "wholesale clients" (as defined in the Corporations Act).

It is possible that the Responsible Entity and the Investment Manager may agree in future that the management fees described in a. above will change, for reasons including changing economic conditions or changes in regulation. We will provide investors with at least 30 days' written notice of any proposed change to the agreed figure for management costs.

The maximum fee which the Responsible Entity is entitled from each Fund is a total monthly management fee equivalent to 0.50% per annum of the gross asset value of the Fund, payable within 10 business days of the beginning of each month. The Investment Manager's fee is an expense of the Fund and, so long as it is incurred in the proper performance of the Responsible Entity's duties in relation to the relevant Fund, is not subject to a cap for Asia Fund, but is capped at 2% per annum of the gross value of the assets for the Disruption Fund and Global Fund.

### **WHAT ARE THE COSTS OF INVESTING AND WITHDRAWING FROM THE FUND?**

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices, including all transaction costs and the buy-sell spread. We call this our unit pricing policy. We keep records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

### **GOVERNMENT CHARGES AND TAXATION**

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in the PDS are inclusive of GST and take into account any reduced input tax credits which may be available.

## 5. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

*Further information on how managed investment schemes are taxed is outlined below. This information should be read alongside section 7 of the PDS.*

The purpose of this summary is to explain, in general terms, some of the Australian tax consequences of investing in a Fund. It does not consider the specific circumstances of a unitholder that may invest in a Fund and should not be used as the basis upon which a potential unitholder decides whether or not to invest in the Fund.

The taxation implications of investing in a Fund are particular to a unitholder's circumstances. A prospective investor should seek professional taxation advice before investing, or dealing with their investment, in a Fund. Nothing contained in this Information Booklet should be construed as the giving of, or be relied upon, as tax advice.

This summary is intended only for an Australian resident unitholder who is assessed on gains arising on the disposal of their units under Australia's capital gains tax (CGT) rules. It does not consider the tax position of a unitholder who is taxed on any other basis, such as a unitholder who is a non-Australian tax resident, who is in the business of trading or dealing in units or securities or who is subject to the taxation of financial arrangements regime.

This summary is based on current Australian taxation law as at the date of this Information Booklet. However, taxation issues are complex and taxation laws, their interpretation by the Courts, and the associated administrative practices of the Australian Taxation Office may change over the term of an investment in units in a Fund.

### TAXATION OF THE FUNDS

The Funds will not have to pay Australian income tax, provided that for each year of income, unitholders are presently entitled to all of the income of the Fund or where the Fund has made an election to be an Attribution Managed Investment Trust (AMIT), are attributed all the assessable components of the Funds under the AMIT regime, which is intended to be the case. Unitholders will be liable to pay tax, as set out below.

Eligible managed investment trusts (MITs) may elect to treat their gains and losses on disposal of certain investments (including equities and units in other trusts, but excluding derivatives, debt securities and foreign exchange contracts) as capital gains and losses. It is expected that each Fund will make this election, if not already made.

Trust losses (rather than net income) may also arise in a Fund. Such losses will not become directly available to unitholders in the year they arise; however, it may be possible for those losses to be utilised by the Fund in a future income year (subject to satisfying the applicable trust loss utilisation provisions).

#### a. Tax treatment of the Global Fund and the Asia Fund

The Responsible Entity of the Global Fund and the Asia Fund (each a "Fund" for the purposes of this section (a)) should not itself be subject to Australian tax in respect of the net income of that Fund where:

- the unitholders are 'presently entitled' to all of the income of the Fund; and
- the Fund is managed so as to not be a public trading trust on account of its investments.

Neither the Global Fund nor the Asia Fund has, as at the date of this Information Booklet, made an election to be an AMIT (but if the Responsible Entity decides to do so, notice will be given on the Fund's website).

The Responsible Entity intends to operate each Fund such that the unitholders of each Fund are 'presently entitled' to all of the distributable income of each Fund each year. If this does not occur, income tax may become payable by the Responsible Entity of the relevant Fund in connection with the share of net taxable income that is not distributed to unitholders.

Unitholders will be assessable on their proportionate share of the net taxable income of the Fund in the year to which the net taxable income relates, even if the corresponding distribution of income is not received until after the end of the year.

A unitholders' share of the net income of a Fund may consist of various components which have been received or realised by the Fund such as capital gains, distributions and dividends paid or credited to the account of the Fund, interest income and foreign exchange gains and losses.

These components will generally retain their character when passed on to unitholders.

It may also include non-cash distributions, such as franking credits or foreign income tax offsets. Depending on your circumstances, you may be able to claim a tax offset for these amounts.

It is also possible for unitholders to receive a tax deferred amount in relation to their distribution from a Fund. This would arise where the distribution received from the Fund exceeds the amount of the net taxable income of the Fund which is to be included in the assessable income of a unitholder, or where the Fund undertakes a return of capital.

The CGT rules may require the cost base which is held by unitholders in their Units to be reduced where the unitholder receives a distribution that is either in whole or in part non-assessable for tax purposes. For example, if the unitholder receives a tax free return of capital, that return of capital would likely result in a reduction in the cost base. Where such tax deferred amounts received by the unitholder exceed the cost base of the units, the excess is treated as a capital gain.

## **b. Tax treatment of the Disruption Fund**

The Responsible Entity has elected for the AMIT tax regime to apply to the Disruption Fund.

On the basis that the Disruption Fund is an AMIT for tax purposes, an Australian resident unitholder of the Disruption Fund should be taxed on the tax components of the Disruption Fund that are attributed to them each year. In particular, the taxable income of the Disruption Fund will flow through to the unitholders of the Fund based on the amount and character of taxable income which the Responsible Entity chooses to "attribute" to the unitholder, rather than being based on the share of the trust income to which the unitholder is presently entitled.

The AMIT regime also provides for a number of other features, including:

- deemed "fixed trust" treatment for the Disruption Fund, which facilitates the Fund being able to carry forward tax losses and pass through franking credits;
- a new system for cost base adjustments to units, that allows for upward cost base adjustments in the event that the amount distributed to a unitholder falls short of the taxable income that is attributed to the unitholder; and
- a new system that provides certainty with respect to how any "under" or "over" distributions of income are dealt with.

## **c. Disposal of Units in a Fund**

The transfer or withdrawal (i.e., redemption) of a unit in a Fund is a taxable event for CGT purposes. To the extent that the proceeds on disposal or redemption exceed the cost base of the unit, the unitholder will make a capital gain. However, if the proceeds on disposal or redemption are less than the unitholder's reduced cost base, the unitholder will make a capital loss.

For CGT purposes, the unitholder's cost base and reduced cost base in the units should be equal to the amount paid to acquire those units, together with any incidental costs, adjusted for any tax deferred amounts (with respect to the Global Fund and the Asia Fund) or any cost base adjustments under AMIT (with respect to the Disruption Fund).

If a unitholder has held the unit for at least 12 months (excluding the acquisition and disposal dates), then the unitholder may be entitled to a 50% CGT discount (where the unitholder is an individual or trust) or a 33⅓% CGT discount (where the unitholder is a complying superannuation entity or life insurance company). The CGT discount does not apply to a unitholder that is a company.

## **d. Tax File Numbers / Australian Business Numbers**

The Responsible Entity of a Fund has an obligation to withhold tax on distributions to unitholders that have not provided a Tax File Number, Australian Business Number or proof of a relevant exemption.

## **e. GST**

Australian GST applies at the rate of 10% to 'taxable supplies'.

For GST purposes, the following should not attract GST for either the Responsible Entity or the unitholders:

- the subscription for, issue and redemption of the units in a Fund; and
- the payment of distributions in relation to the units in a Fund.

A unitholder may not be entitled to claim any 'input tax credits', including 'reduced input tax credits', for GST that it pays on acquisitions that the unitholder makes in connection with their investment in the units in a Fund, such as, for example, the acquisition of third party services. The availability of credits will depend on whether the unitholder is registered for GST, and in connection with the enterprise that is registered, has acquired the service in the course of that enterprise, and whether the services qualifies for reduced input tax credits.

## **f. Stamp Duty**

No Australian stamp duty should be payable by an investor on the acquisition of units in a Fund provided that the Fund does not directly or indirectly hold dutiable property in any Australian State or Territory.

# **6. HOW TO APPLY**

*Further information on "How to apply" is outlined below. This information should be read alongside section 8 of the PDS.*

## **COOLING OFF PERIOD**

If you decide that you don't want the units we have issued you in the Fund, we must repay your money 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 +0.20% and a Sell Spread of -0.20%. This means that approximately \$9,860 would be transferred from the Fund back to you.

If you change your mind, 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.

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, or investments under a distribution reinvestment plan, cooling off rights do not apply. If you invest via an IDPS, as cooling off rights do not apply and you should contact your IDPS operator.

## 7. OTHER INFORMATION

### FUND PERFORMANCE AND SIZE

If you are interested in:

- up to date Fund performance;
- the latest investment mix of the Fund;
- current unit prices; or
- the current size of the Fund,

then ask your financial adviser or go to [www.orcafunds.com](http://www.orcafunds.com). Your financial adviser will give you paper copies of the information free of charge. You can call the Investment Manager during Sydney business hours (see details are at the beginning of this PDS). Again, up to date information is always free of charge.

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.

### KEEPING YOU INFORMED

Boardroom or the Investment Manager, on our behalf, 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 accounts of the Funds in which you are invested available to you;
- send you your annual statement; and
- notify any material changes to this PDS and any other significant event.

### PRIVACY

The Responsible Entity may collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we may not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint;
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Responsible Entity.

If you are investing indirectly through a Platform, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your Platform operator for more information about their privacy policy.

### ANTI-MONEY LAUNDERING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Perpetual (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, Responsible Entity is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and

- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years. The Responsible Entity and the Unit Registry as its agent (collectively the Entities) reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to you for any loss suffered by you because of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented several measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of their compliance with the AML Requirements as they apply to the Fund; and
- The Responsible Entity or the Administrator may from time to time require additional information from you to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer because of their compliance with the AML Requirements.

### US TAX WITHHOLDING AND REPORTING UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The United States of America has introduced rules (known as **FATCA**) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (**ATO**), which may then pass the information on to the US Internal Revenue Service (**IRS**). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, Perpetual will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

### COMMON REPORTING STANDARD

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (**CRS**) from 1 July 2017. CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For us to comply with our obligations in respect of the Funds, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

### AMIT

The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 governs the Attribution Managed Investment Trust (**AMIT**) regime. An AMIT, in broad terms, is a managed investment trust (**MIT**) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the trustee or responsible entity of the MIT has made an irrevocable election to apply the regime.

The election has already been made for the Disruption Fund, and the Responsible Entity is intending to make the election for the Asia Fund and Global Fund to operate as AMITs for either the current or a future financial year, depending on an assessment of the Fund's circumstances at the end of the financial year.

The AMIT rules contain several provisions that impact on the taxation treatment of a Fund, where they apply.

The key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through the trust to its members;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;

- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

## CONSTITUTION

The Funds are each governed by a constitution that sets out the Fund's operation. The respective rights and obligations of the Responsible Entity and the unitholders are determined by the constitution and the Corporations Act, together with any exemptions and declarations issued by ASIC and the general law relating to trusts. The constitution gives us rights to be paid fees and expenses and be indemnified from the Fund. It governs (amongst other things) our powers (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The constitution of each Fund limits our need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act imposes, we are not liable in contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

The constitution of each Fund also contains a provision that it alone is the source of the relationship between you and us and not any other laws (except, of course, those laws that cannot be excluded, such as the Corporations Act).

We must have investor approval to make changes to the constitution that are adverse to the rights of investors.

If you invest in a Fund, you agree that you have received and read the Fund's PDS and agree to be bound by the terms of the Fund's constitution. The constitution is a lengthy and complex document and you can request a copy of the constitution free of charge from the Responsible Entity.

## COMPLIANCE PLAN

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.

## INVESTMENT MANAGEMENT AGREEMENT

There are no unusual or materially onerous terms in the agreement under which the Investment Manager has been appointed. Perpetual is able to terminate the Investment Manager's appointment under the investment management agreement at any time in circumstances, including but not limited to fraud, misconduct, dishonesty or gross negligence on the part of the Investment Manager, where the Investment Manager enters into receivership, liquidation, ceases to conduct business sells the business or ceases to carry on business as an Investment Manager or where the Investment Manager is in breach of any representations or warranties to Perpetual in certain circumstances. Termination in these circumstances is without payment of any penalty.

## CONSENTS

Orca Funds Management Pty Limited and Boardroom Pty Limited have each given, and as at the date of this Information Booklet have not withdrawn, their consent to inclusion in the PDS and this Information Booklet the statements concerning them in the form and context in which they are included.