



# ATRIUM EVOLUTION SERIES DIVERSIFIED FUND

## Product Disclosure Statement

11 October 2019

ARSN 151 191 776



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# IMPORTANT INFORMATION

Issuer	The Trust Company (RE Services) Limited, ABN 45 003 278 831, AFSL 235 150 ( <b>Responsible Entity, Perpetual, or we</b> ), Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000 is the issuer of this Product Disclosure Statement ( <b>PDS</b> ).	Updated PDS Information	Certain information in this PDS may be subject to change. The Responsible Entity will notify investors of any changes that have a materially adverse impact on them or other significant events that affect the information in this PDS and where required, will issue a new PDS or a supplementary PDS. If the change relates to an increase in fees and costs charged by the Responsible Entity, at least 30 days' notice will generally be given to you. From time to time there may be changes to the information in the PDS that are not materially adverse to investors. Any such updated information will be available from the Manager at <a href="http://www.atriuminvest.com.au">www.atriuminvest.com.au</a> . Investors are encouraged to visit this site regularly for this purpose. A paper copy of the updated information may be obtained free of charge from your adviser or from the Manager on 02 9248 8090.
Manager and Investment Manager	Atrium Investment Management Pty Ltd ABN 17 137 088 745 and AFSL 338634 ( <b>Atrium</b> ) is the manager of the Fund ( <b>Manager</b> ) and the investment manager of the Portfolios ( <b>Investment Manager</b> ) comprising the assets of the Sub-Trusts in which the Fund invests. Atrium has given, and not withdrawn, its consent to be referenced in this PDS in the form and context in which such references are included.	No Personal Advice	Neither the Responsible Entity, the Manager, nor any director or associated company of any of them, nor any of the external service providers referred to in this PDS makes any recommendation as to the suitability of an investment in the Fund for any investor. The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs.  You should seek your own financial, taxation and investment advice before investing in the Fund. Before making an investment decision on the basis of this PDS, you should consider whether an investment in the Fund is appropriate having regard to your objectives, financial situation and needs. It is important that you read the entire PDS before making any decision to invest.  No information or representation in connection with this offer, which is not contained within this PDS, should be relied upon in making an investment decision about the offer.
Offer	This PDS invites you to apply for units in the Atrium Evolution Series – Diversified Fund ARSN 151 191 776 (the <b>Fund</b> ). This offer is open to both retail and wholesale clients who are Australian residents and who receive this PDS in Australia. If you receive this PDS in electronic form, you may obtain a paper copy (including the application form and any supplementary documents) free of charge from your adviser or the Manager on 02 9248 8090.  This PDS only constitutes an offer of, or invitation to acquire, financial products to persons within Australia or in places where it is lawful to make such an offer or invitation. The PDS has not been lodged with the Australian Securities and Investments Commission ( <b>ASIC</b> ) and ASIC takes no responsibility for the contents of this PDS.  Other than the Responsible Entity and the Manager, no person has caused or authorised the issue of this PDS nor does any of them take any responsibility for the preparation of this PDS or the establishment or performance of the Fund.	Defined terms	Capitalised terms used in this PDS have the meanings given to them in the text unless the context requires otherwise.
No guarantee as to performance	Neither the Responsible Entity, the Manager, nor any director or associated company of any of them, nor any of the external service providers referred to in this PDS, guarantees the performance of the Fund, or promises that you will earn any return on your investment or that your investment will gain or retain its value. Your investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested, and no party involved in this Fund in any way stands behind the capital value and/or performance of the Fund. No representation is made with respect to the taxation consequences of an investment in the Fund.	Further information	For further information regarding this offer please contact your adviser. You may also contact the Manager or the Responsible Entity. Their contact details are in the Corporate Directory.
Electronic copy of PDS	If an electronic copy of this PDS is printed, all pages must be printed. If this PDS is made available to another person, they must be provided with the entire electronic file or printout. For persons wishing to invest directly in the Fund, an application form must be completed. If you are not provided with an application form with this PDS, you may request one from your financial adviser or from the Responsible Entity. A paper copy of this PDS (and any supplementary documents), and an application form, may be obtained free of charge on request from your financial adviser or from the Manager on 02 9248 8090.	Currency	In this PDS, all amounts are expressed in Australian dollars unless otherwise indicated.
			This PDS is an important document which should be read carefully and in its entirety before making a decision whether or not to invest in the Fund. The Responsible Entity and the Manager recommend that investors obtain independent financial advice and taxation advice before making an investment into the Fund.  Visit <a href="http://www.atriuminvest.com.au">www.atriuminvest.com.au</a> for information updates.



# FUND SUMMARY

## Features of the Fund

The Fund	The Atrium Evolution Series – Diversified Fund ARSN 151 191 776. The Fund is a registered managed investment scheme. It is structured as an open ended unit trust offering three classes of units.																		
Responsible Entity	The Trust Company (RE Services) Limited																		
Manager and Investment Manager	Atrium Investment Management Pty Ltd																		
Classes of Units	<p>The Fund offers three classes of units:</p> <p>AEF 5 Units (APIR Code COL0029AU)</p> <p>AEF 7 Units (APIR Code COL0030AU)</p> <p>AEF 9 Units (APIR Code COL0031AU)</p> <p>The assets attributable to each class of units are invested in one of three sub-trusts – the Atrium Evolution 5 Trust, the Atrium Evolution 7 Trust and the Atrium Evolution 9 Trust (each a <b>Sub-Trust</b>), respectively. The assets of each of these Sub-Trusts respectively comprise the <b>AEF 5 Portfolio</b>, the <b>AEF 7 Portfolio</b> and the <b>AEF 9 Portfolio</b> (each a <b>Portfolio</b>).</p>																		
Investment Objective	<p>The investment objective for each of the Portfolios is to seek to maximise returns while remaining within a predetermined upper risk limit. Risk is often synonymous with higher volatility of investment returns. To compensate for higher volatility of returns, an expectation of higher levels of returns over time are anticipated. The return objective and risk limit for each portfolio is set out in the table below:</p> <table border="1"> <thead> <tr> <th>Unit class</th> <th>AEF 5</th> <th>AEF 7</th> <th>AEF 9</th> </tr> </thead> <tbody> <tr> <td>Internal return objective</td> <td>To outperform the RBA Cash Rate by 2.5% p.a. (after fees) over 3 years</td> <td>To outperform the RBA Cash Rate by 3.5% p.a. (after fees) over 5 years</td> <td>To outperform the RBA Cash Rate by 4.5% p.a. (after fees) over 5 to 7 years</td> </tr> <tr> <td>Risk managed with a maximum volatility of</td> <td>5% p.a.</td> <td>7% p.a.</td> <td>9% p.a.</td> </tr> <tr> <td>Minimum suggested holding timeframe</td> <td>3 years</td> <td>5 years</td> <td>5 to 7 years</td> </tr> </tbody> </table>			Unit class	AEF 5	AEF 7	AEF 9	Internal return objective	To outperform the RBA Cash Rate by 2.5% p.a. (after fees) over 3 years	To outperform the RBA Cash Rate by 3.5% p.a. (after fees) over 5 years	To outperform the RBA Cash Rate by 4.5% p.a. (after fees) over 5 to 7 years	Risk managed with a maximum volatility of	5% p.a.	7% p.a.	9% p.a.	Minimum suggested holding timeframe	3 years	5 years	5 to 7 years
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Minimum suggested holding timeframe	3 years	5 years	5 to 7 years																
Portfolio Investments	The Portfolios are designed to be diversified across investments in equities, interest rates and credit (such as cash and fixed income), liquid alternatives, currencies, and private markets (including real assets). The Portfolios may be invested directly and through underlying managed funds, managed accounts and other investment structures ( <b>Underlying Managed Investments</b> ). Underlying Managed Investments may be managed by external managers or by Atrium.																		

## Investing in and withdrawing from the Fund

Minimum Initial Investment <sup>[1]</sup>	Aggregate investment	\$15,000		
	AND if investing in more than one class of units the minimum in a class			
	AEF 5	\$5,000		
Minimum Additional Investment <sup>[1]</sup>	AEF 7	\$5,000		
	AEF 9	\$5,000		
	Aggregate additional investment	\$5,000		
Minimum Redemption <sup>[1]</sup>	AND if adding to a class of units held, a minimum in a class			
	AEF 5	\$2,000		
	AEF 7	\$2,000		
	AEF 9	\$2,000		
Entry and Exit Fees	None			
Timing for Applications and Redemptions	<p>All applications and payments by cheque or EFT must be received before 4pm (Sydney time) on the second last Business Day of the week to be issued at the unit price calculated as at close of business on the last Business Day of that week.</p> <p>All redemption requests must be received before 4pm (Sydney time) on the second last Business Day of the week to be processed at the unit price calculated as at the close of business on the last Business Day of the week.</p>			
Unit Pricing	The unit price for each class of units will be calculated as at the close of business (Sydney time) on the last Business Day of each week. Unit prices, and hence the amounts payable on application and on redemption, may fluctuate over time reflecting the value of the assets underlying each class of units.			
Buy/Sell Spread	Spread	AEF 5	AEF 7	AEF 9
	Buy	0.10%	0.10%	0.15%
	Sell	0.10%	0.10%	0.15%
Cooling off	Cooling off rights may apply to some applicants.			

Note: [1] These minimum amounts do not apply to applications and redemptions received from master trusts, wrap accounts or other administration platforms (**Platforms**) and the Responsible Entity may waive any minimum amount on a case by case basis at its discretion (see below under “Master Trust, Wrap and Other Platform Accounts”). Investors can also set up a regular savings investment plan, investing at least \$500 each month.



# FUND SUMMARY

# MANAGEMENT OF THE FUND AND THE PORTFOLIOS

Risks	Before investing in the Fund investors should consider carefully the risks associated with an investment in the Fund including the general, specific and other risks referred to in this PDS. Investors should consider obtaining independent financial and taxation advice on whether an investment is suitable for their objectives, financial situation and needs.
<b>Being an investor in the Fund</b>	
Income Distributions	Usually six monthly as at the end of December and June, for all classes of units. Distributions must be paid within 2 months after the relevant period end. The Responsible Entity may make additional distributions at its discretion.
Reinvestment of Distributions	Available for all classes of units (at no buy spread) <sup>[2]</sup> .
Reporting	Unit holders will receive a confirmation of investment and an annual taxation statement for taxation purposes and may receive the Fund's annual report and half-yearly report on request or obtain a copy at <a href="http://www.atriuminvest.com.au">www.atriuminvest.com.au</a> .
Complaints	The Responsible Entity has a procedure to deal with complaints from unit holders.
Taxation considerations	A tax summary for Australian investors is provided in this PDS.
<b>Fees and other costs</b>	
Fees and costs charged by the Responsible Entity	It is important that you understand the fees and costs that you may be charged and their impact on your investment. Please refer to the "Fees and Other Costs" section in this PDS for more information.

Note: [2] If you are investing in the Fund via a Platform, you will need to consider the fees and other costs of the Platform when calculating the total cost of your reinvestment (see below under "Master Trust, Wrap and Other Platform Accounts").

Atrium Investment Management Pty Ltd (Atrium) has been appointed as the Manager of the Fund and Investment Manager of the Portfolios (of the Sub-Trusts). Atrium is a specialist manager of diversified portfolios offering investments across a range of domestic and international asset classes that includes equities, rates and credit, liquid alternatives, currencies and private markets. More information about Atrium is available online at: [www.atriuminvest.com.au](http://www.atriuminvest.com.au).



# INVESTMENT OBJECTIVE AND POLICIES

## INVESTMENT OBJECTIVE

The investment objective of each of the AEF 5, AEF 7, and AEF 9 Portfolios is to seek to maximise returns while managing volatility within a predetermined upper risk limit. Risk is defined as the volatility of after-fee returns and is measured by the realised annualised standard deviation of the returns on a rolling 3 year basis. The Portfolios will also be managed with a focus on achieving consistency of returns and capital preservation (although these cannot be guaranteed). The return objectives and upper risk limits are as follows:

	Portfolio AEF 5	Portfolio AEF 7	Portfolio AEF 9
Internal return objective	To outperform the RBA Cash Rate by 2.5% p.a. (after fees) over 3 years	To outperform the RBA Cash Rate by 3.5% p.a. (after fees) over 5 years	To outperform the RBA Cash Rate by 4.5% p.a. (after fees) over 5 to 7 years
Risk managed with a maximum volatility of	5% per annum	7% per annum	9% per annum
Minimum suggested holding timeframe	3 years	5 years	5 to 7 years

The different Portfolios each have a different upper level of risk that is permitted. While capital preservation and consistency of returns is always a focus across all the Portfolios, the higher level of risks taken in the portfolio will result in higher levels of volatility of each Portfolio. A higher level of risk in a Portfolio may be achieved quite simply by holding a greater weight in riskier investments. For example, a larger allocation to equities (as a higher risk investment) in AEF 9 compared to AEF 5 would typically result in the portfolio being riskier. In order for investors to be compensated for exposure to higher risk assets, a higher level of return is expected from those investments. However, this also means a longer time horizon becomes appropriate to ensure that the investment objectives are able to be met.

The Investment Manager seeks to manage each Portfolio within the relevant risk limit. However, from time to time the actual risk level achieved may vary from the relevant risk limit.

## INVESTMENT OF THE FUND'S PORTFOLIOS

The Portfolios are designed to be multi-asset and diversified across various asset classes, including equities, rates and credit (such as cash and fixed income), liquid alternatives, currencies and private markets (including real assets). The Portfolios may be invested directly and through Underlying Managed Investments managed by external managers or by Atrium. The types of underlying investments and asset allocation ranges are at the discretion of the Investment Manager and may change over time. Please contact the Investment Manager for current information on the Portfolios.

### Derivatives (directly held by the Portfolios)

Derivatives may be used (directly) in the Portfolios:

- for the dominant purpose of managing foreign exchange or interest rate risk;
- for the dominant purpose of more efficiently gaining an economic exposure through the use of exchange-traded derivatives, to the underlying reference assets of those derivatives, but only on a temporary basis (i.e. less than 28 days); or
- with respect to exchange-traded derivatives, such that the notional derivatives exposure of the Fund at any point of time does not exceed 10% of its net asset value.

Within those limitations the Portfolios may use derivatives to:

- protect the assets of the Portfolios against, or minimise liability from, a fluctuation in market values;
- reduce the transaction cost of achieving the desired asset allocation or investment profile for the Portfolios;
- obtain prices that may not be available to the Portfolios in other markets;
- reduce volatility and the impact on Portfolio valuations of market movements; or
- achieve tactical or strategic adjustment of asset exposures within parameters allowed by the investment strategy.

Derivatives include foreign exchange forwards, futures contracts, warrants and options.

When utilised directly by a Portfolio, derivatives will not be used so as to leverage the value of a Portfolio.

### Derivatives and leverage in Underlying Managed Investments

The investment managers of Underlying Managed Investments held by the Portfolios may use derivatives, however such use will be subject to the investment objectives and strategies of the relevant Underlying Managed Investments. Some Underlying Managed Investments held by the Portfolios may be exposed to leverage, depending on the strategy of the relevant investment manager.

## Currency Management

The Portfolios may acquire exposures to foreign currencies either directly or as a result of investments in a range of offshore assets. Some of the investment managers of assets in the Portfolios may manage these currency exposures through the normal operation of their portfolios, while some may not. Each Portfolio's aggregate exposure to foreign currencies will be monitored and may be managed through the asset allocation process by the Investment Manager.

### Short Selling

The Portfolios do not directly engage in short selling. Underlying investment managers may engage in short selling of investments within the portfolios they manage through the use of derivatives, including futures contracts, options and swaps that facilitate 'short' exposures in the market.

### Borrowing

The Fund will not borrow for the primary purpose of implementing the investment strategy. Borrowing is not permitted on the Portfolios, other than to facilitate short-term cash flow requirements, such as to fund redemptions. Please also refer to the sections above which describe the use of derivatives.



# INVESTMENT OBJECTIVE AND POLICIES CONT.

# BENEFITS OF INVESTING IN THE FUND

## Underlying Managed Investments

The Fund may invest in underlying managed funds, managed accounts and other investment structures (**Underlying Managed Investments**). These may be managed by external managers or by Atrium. The Investment Manager conducts due diligence on each asset of the Portfolio, including in relation to the managers of Underlying Managed Investments. Underlying Managed Investments that may be regarded as 'hedge funds' (as defined by ASIC Regulatory Guide 240) will not exceed 35% of the assets of the Fund.

## LABOUR STANDARDS OR ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

### Responsible Entity

When the Responsible Entity outsources investment management, it does not specifically take into account labour standards or environmental, social or ethical considerations. However, the Responsible Entity may consider these factors to the extent that they impact on a manager's organisational stability, reputation and performance. Investment managers have their own policies on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions. These policies are not specifically considered in selecting managers. The Responsible Entity does not use any specific methodology for such reviews of underlying managers or have predetermined views about the extent to which such factors will be taken into account.

## Manager and Investment Manager

Decisions about investments are based primarily on economic factors. Atrium does not take into account labour standards environmental or social standards for the purposes of making investment decisions. However, Atrium seeks to invest in high quality assets that demonstrate a sustainable competitive advantage that we are confident will seek to maximise returns for investors and may consider environmental, social or ethical considerations to the extent such considerations impact such matters. Underlying managers have their own policies on the extent to which labour standards or environmental, social or ethical considerations are taken into account when making investment decisions. Atrium may consider these factors to the extent that they impact on a manager's organisational stability, reputation and performance. However, Atrium does not specifically consider the policies in selecting managers. Atrium does not use any specific methodology for such reviews of underlying managers or have predetermined views about the extent to which such factors will be taken into account.

## PAST PERFORMANCE

For the performance history, refer to [www.atriuminvest.com.au](http://www.atriuminvest.com.au). Past performance is not a reliable indicator of future performance.

Some of the benefits that may arise from an investment in the Fund include:

- Atrium's specialist investment management experience and expertise;
- access to investment products that might otherwise not be available to the investor;
- access to Portfolios managed to maximise return for a predetermined risk outcome; and
- the potential for capital gains and distributions of income.



# RISKS

There are risks associated with any investment. Some risks are general in nature in that they apply to any investment and other risks are specific to the Fund and to the Sub-Trusts in which the Fund invests.

A major risk in an investment of this type is the loss of capital resulting from a decrease in the value of the underlying investments.

Investments in the Fund should be considered only by those investors who have sought independent investment and tax advice. Prospective investors should carefully consider the entire PDS, including the risk factors outlined below before making a decision to invest in any particular class of units.

## GENERAL RISK FACTORS COMMON TO ALL INVESTMENTS

These risks apply generally to any investment.

### Investment objective risk

This is the risk that your investment objectives will not be met by the class of units in which you invest. One measure of investment risk is the volatility of returns. As volatility increases, so too will the variability of investment returns. As such, it is important to consider the volatility of the relevant unit class as part of your investment decision and whether it is consistent with your investment objectives.

Further, there is a risk that the Portfolio in which you invest may not meet the Portfolio's investment objective. The Portfolio may not meet its objectives for a variety of reasons, including the risks set out below.

### Inflation risk

This is the risk that the increase in the price of goods and services exceeds the rate at which your investment grows, thereby reducing the value of your investment in real terms.

### Liquidity risk

This is the risk that investments are difficult to purchase or sell due to varying or unusual market circumstances, and include:

- the Investment Manager's inability to establish, close-out or rebalance an investment position or exposure in a timely fashion and/or at a favourable or fair market price; and
- the investor's inability to sell or redeem units due to market circumstances or other investment specific risks described below.

### Market risk

This is the risk that the value of the assets relating to each class of units may rise or fall in response to fluctuations in market prices to which the relevant Sub-Trust is exposed. The markets that the Fund is exposed to (through its investment in the Sub-Trusts) may include but are not limited to:

- interest rates;
- currencies;
- equities;
- commodities;
- corporate and securitised bonds and notes; and
- private markets (including unlisted assets, real estate and infrastructure).

Market risks occur for many reasons, including political, economic, sectoral, behavioural or investment-specific factors or events, such as domestic or global financial and credit conditions and market sentiment.

## SPECIFIC RISK FACTORS COMMON TO THE FUND AND THE SUB-TRUSTS

The Fund is comprised of three separate classes of units, each of which invests into the Sub-Trusts which are the means by which the underlying assets of the Fund are managed. Each Sub-Trust may invest its Portfolio into assets and products directly or through Underlying Managed Investments. The performance of each of the classes of units is derived from the performance of the relevant Sub-Trust and its Portfolio.

The following risks relate to the Sub-Trusts. They may also be relevant to some or all of the assets, including direct investments and Underlying Managed Investments, into which the Sub-Trust Portfolios are invested.

**Counterparty risk** is the risk that a counterparty to a contract fails to meet its obligations to honour the contract. Counterparty risk arises in relation to transaction counterparties such as brokers, lenders, issuers, borrowers, counterparties to derivatives contracts and clearing exchanges. The Investment Manager seeks to transact with counterparties that meet a minimum standard of creditworthiness, which is reviewed periodically. The Investment Manager monitors and constrains exposure to any individual counterparty and maintains policies and procedures governing the selection of counterparties and best execution.

**Credit risk** is the risk that issuers of debt securities and other investments fail to make payments to the Sub-Trust on such obligations. In addition, an issuer of a security may suffer an adverse change in its financial condition or credit rating of the security that could result in a lowering of the quality and value of the security leading to greater volatility, and give rise to other risks including liquidity and leverage risks, which have negative impact on the relevant Sub-Trust's Portfolio.





# RISKS CONT.

**Currency risk** is the risk that fluctuations in exchange rates may cause the value of investments to decline. Investments in a Sub-Trust's Portfolio may be made in currencies other than the Australian dollar, which will expose the Portfolio to currency risks.

**Derivatives risk** is the risk associated with the use of a derivative, that is, with a contract which provides for the delivery of an asset or security from one party to another at a fixed price on a future date. Most derivatives are cash settled, whereby at the time of expiry of the derivatives contract the difference between the prevailing market price and the fixed price is paid from one party to the other, in a way that provides the same profit or loss to the counterparties as if the security had been simultaneously bought on-market, delivered at the fixed price, and then sold on-market. The main derivative risk is that the derivative instrument may fluctuate in price by a disproportionate magnitude than the underlying instrument from which it is derived, resulting in unexpected gains or losses in the value of the Sub-Trust's Portfolio.

**Future or forecast risk** is the risk that historic trends, data or observations may not continue into the future and investments may not behave in the future as they have done in the past.

**Hedging risk** is the risk that an investment exposure entered into to hedge another exposure fails to achieve the desired neutralising effect when markets move because of a mismatch in the size of the contract, the terms of the contract, or the fair market value of the contract.

**Leverage risk** is the risk that gains or losses will be magnified to a greater degree than would occur if the investment exposure was unleveraged. Leverage is the ability to control a larger investment exposure using a smaller amount of investment capital. Leverage is a form of borrowing to increase the return on an investment.

**Liquidity risk** is the risk of not being able to redeem an investment at an opportune time. Liquidity risk exists because:

- the Fund only permits redemptions of units on a weekly basis;
- the Fund may be unable to pay out or redeem its units in the Sub-Trusts;
- the Sub-Trusts may be unable to redeem or otherwise realise their underlying investments;
- redemptions of a particular class of units may be limited, suspended or staggered because one or more of the assets in which the Sub-Trust's Portfolio invests becomes unable to be priced, thus delaying the determination of the unit price of the relevant class of units or a sufficient amount of the assets in which the units invest cannot be easily converted into cash to satisfy all the redemption requests while maintaining an adequately diversified portfolio for remaining unit holders holding units of that class;
- the units are not generally tradable on any secondary market or exchange and the Responsible Entity has no current intention of listing the units, or any class of units, on any securities exchange; and

- neither the Responsible Entity nor any other person has agreed to purchase or otherwise acquire any units or assume the responsibility for locating prospective purchasers for any units.

**Margining risk** is the risk that positions in futures contracts, derivatives and/or holdings in Underlying Managed Investments must be liquidated to meet initial and/or variation margin requirements set by clearing houses and exchanges. This risk occurs when insufficient funds are held with a clearing firm to maintain an investment exposure.

**Pricing risk** is the risk the Fund's units are unable to be priced within an acceptable time-frame. The Sub-Trusts' Portfolios include investments in investment products managed by other managers. If one or more of these other managers is unable to provide a value for the investment products in which the Sub-Trust invests, the unit prices of the relevant class of units in the Fund may in turn be unable to be calculated. In addition, direct investments made by a Sub-Trust may not be capable of being valued in some circumstances. The value of the assets of the Fund that are referable to a class of units can only be known once the value of investments in the relevant Sub-Trust is known.

Pricing risk also occurs when an underlying investment is incorrectly valued in which instance the value of the assets of the Fund that are referable to any particular class of units may need to be repriced at a later date which may result in a loss in value to those class assets in the Fund.

**Strategy implementation risk** is the risk that actual returns are lower than the return of the Investment Manager's intended model portfolio because the Investment Manager has not implemented the trades and transactions exactly as planned. This can be caused by factors beyond the control of the Investment Manager.

**Systemic risk** is the risk that a disruptive event causes a chain of events to disrupt or compromise the normal functions of a system. Systemic risk cannot be diversified and may be magnified by the reactions of the participants within the system to the event.



# RISKS CONT.

# HOW TO INVEST, APPLICATIONS AND WITHDRAWALS

## OTHER RISKS

### Limited regulation of Underlying Managed Investments

The Fund is an Australian registered managed investment scheme and is regulated under the Corporations Act 2001 (Cth) (the **Corporations Act**). The Sub-Trusts are Australian “wholesale” trusts and are not regulated under the Corporations Act as registered managed investment schemes. The Portfolios may have investments in Underlying Managed Investments that are not registered under the Corporations Act.

### Changes in Applicable Laws

The Responsible Entity and other parties involved in the operation of the Fund must comply with various legal requirements. Should any of those laws change over the term of the Fund, the applicable legal requirements may differ materially from current requirements.

### Dependence on Management (Dependence risk)

The Fund is reliant upon the operational stability of the appointed parties to the Fund including the Responsible Entity, the Manager and Investment Manager, the Administrator and the Custodian.

The skill and acumen of the Investment Manager are an important factor in the success of the Fund. The performance of the classes of units in the Fund could be adversely affected if the Investment Manager, or its key personnel, were to cease to be involved in the active management of the Portfolios.

A breakdown in administrative procedures or operational controls may cause a disruption of day-to-day Fund operations. Such interruptions may arise internally through human error or technology and infrastructure failure or possible external events such as natural disasters or regulatory changes. Whilst each party has procedures in place for such occurrences and manages administration risk by monitoring these procedures, dependence risk cannot be mitigated entirely.

The Manager has agreed to meet certain expenses of the Fund from its own resources. Nevertheless, should the Manager fail to do so for any reason, those expenses must be met from the assets of the Fund.

### Effect of substantial redemptions risk

This is the risk that substantial redemptions by holders of a class of units in the Fund within a short period of time could require underlying investments in the Sub-Trust to be liquidated more rapidly than would otherwise be desirable. This may, in turn, adversely affect the value of the assets relating to that class of units and the returns to investors. Substantial redemptions may also impact on the distribution per unit payable by the Fund.

### Structural risk

Investing in a managed fund is not like investing directly in securities. A managed fund takes into consideration all applications and redemptions made by all unit holders, which can

result in different income or capital gains outcomes when compared with investing directly. Therefore, income from the Fund may be different to that received from investing directly in securities. There is also a risk that the losses and/or tax implications of one class of units in the Fund may affect another class of units in the Fund, although this is managed to a certain extent by the use of a separate Sub-Trust for each class of units.

### Termination risk

There is a risk that the Responsible Entity or the investors of the Fund terminate the Fund pursuant to the Constitution and/or the Corporations Act. This may result in an investor’s investment in the Fund being returned to the investor at an inopportune time, or before the suggested minimum holding timeframe has been reached.

### Tax risk

The taxation implications for investors in the Fund are determined by Australian tax legislation and tax laws of other jurisdictions, and regulations in force from time to time. These may be altered which may materially and negatively impact the returns on this investment. Investors should carefully read the Taxation summary in this PDS. It is recommended that an investor seek advice from a tax adviser before making an investment in the Fund.

## MINIMUM INVESTMENT

The minimum initial investment is \$15,000. If investors wish to invest in more than one class of units, they must invest at least \$5,000 of their application monies into each class of units applied for.

## ADDITIONAL AND REGULAR INVESTMENT

Further investments may be made subject to a minimum of \$5,000 per subsequent application. If this amount is to be applied to acquire additional units in more than one class of units that the unit holder already has, at least \$2,000 must be invested in any class of units. Investors can also set up a regular investment plan, investing at least \$500 each month into their investment account.

Perpetual as responsible entity may, in consultation with the Manager, decrease any of these limits at any time and may, at its discretion, waive the requirement generally or on a case by case basis. If these limits are to increase then the Responsible Entity and Manager may do so on giving not less than 30 days’ notice at [www.atriuminvest.com.au](http://www.atriuminvest.com.au).

The minimum initial and subsequent investment amounts do not apply if you choose to invest through a master trust, wrap account or other administration platform (**Platform**). As an indirect investor, you will be subject to the rules of the Platform. Please refer below to “Master Trust, Wrap and Other Platform Accounts” for further information.

All application monies received before units are issued will be held in an account established solely for the purposes of depositing any application monies.

## HOW TO INVEST

To make an investment into the Fund simply complete an application form and send it to the Administrator. If you wish to invest in the Fund through a Platform, you will need to apply through the trustee or operator of the Platform. Please contact the administrator of your Platform for further information.

Payment may be made by cheque or by EFT, or otherwise as provided in the application form. The application form and payment must be received by 4pm (Sydney time) on the Business Day immediately preceding a Dealing Day. If an application is accepted the units will be issued at the price per unit calculated as at the close of business (Sydney time) on the relevant Dealing Day. The application will still be processed at this price even if there were to be a delay in calculating the unit price.

Under the constitution of the Fund (**Constitution**), Perpetual, as responsible entity, has absolute discretion to accept or reject any application for units without giving a reason for the decision.

### DEALING DAY

A Dealing Day is the last Business Day of each week and for the purposes of distributions and distribution reinvestment, the last day of each distribution period.



# HOW TO INVEST, APPLICATIONS AND WITHDRAWALS

## MASTER TRUST, WRAP AND OTHER PLATFORM ACCOUNTS

If you are investing through a master trust, wrap account, or other administration platform (**Platform**), the minimum investment amounts may be different and you do not need to complete and send an application form to the Fund's Administrator. Instead, you will need to complete the forms the Platform operator requires and if you have enquiries, the Platform operator can help you.

Investors accessing the Fund through a Platform, (referred to as **indirect investors**), may use this PDS to give a direction to the Platform operator to invest in the Fund. If an investor invests through a Platform the Platform operator and not the indirect investor becomes an investor in the Fund. The Platform operator acquires the rights of an investor and can exercise, or decline to exercise them, on behalf of and in accordance with their arrangements with the indirect investor.

No cooling off rights apply in respect of any investment acquired through a Platform. However, indirect investors should contact the Platform operator and read the Platform operator's offer document for more information on any cooling off rights that may apply in relation to an investor's investment through the Platform.

If your investment is via a Platform, there will be fees and costs in addition to the fees described in this PDS which are charged by the Platform operator. The Platform operator will provide you with details of those fees and costs.

In addition to reading this PDS, an indirect investor should carefully read the Platform's offer document, which explains the service and the fees payable by the indirect investor to the Platform operator.

If you are investing through a Platform:

- You do not complete the application form for the Fund. Instead, you should complete the forms that the Platform operator requires.
- Enquiries should be directed to that Platform operator although you can still rely on the information set out in this PDS.
- You should take into account the fees and charges of the Platform operator.

Perpetual is not responsible for the operation of the Platform through which you invest.

## COOLING OFF

If you invest less than \$500,000 in the Fund and are not otherwise a 'wholesale investor' (as defined in the Corporations Act) you have a 14 day cooling off period in which to decide if the investment in the Fund is right for you. The 14 day period commences on the earlier of the date you receive your initial investment transaction advice or the end of the fifth day after the day on which your units are issued to you.

The amount of your refund will be based on the application price calculated on the Dealing Day following receipt of your request, less any non refundable tax or duty paid or payable and any reasonable administration or transaction costs. Accordingly, depending upon the circumstances, the amount refunded may be greater or less than the amount initially invested.

Cooling off rights will not apply in certain circumstances, including distribution reinvestment, other additional investments and where the investment is made through a Platform. Nor are they available if the Fund were to become a non-liquid scheme. A scheme is only liquid if liquid assets account for 80% or more of the value of the scheme property. Assets are liquid if the responsible entity reasonably expects them to be able to be realised for market value within the time provided in the Constitution for satisfying redemption requests while the scheme is liquid which, in the case of the Fund, is 90 days.

## REDEMPTIONS

Subject to the provisions set out below, units can be redeemed on any Dealing Day. The minimum amount that you can redeem at any one time is \$5,000 in the aggregate and \$2,000 in any one class of units. To make a redemption simply complete a withdrawal form and send it to the Administrator.

You must maintain a minimum aggregate balance of \$15,000 in the Fund, and \$5,000 in any class of units, to remain invested.

If the redemption would reduce your investment to a level below the minimum holding for the Fund or for a class of units, Perpetual may either reject the request or treat it as a request to redeem the whole of your investment in the Fund or that class of units.

Perpetual, as responsible entity may vary these minimum levels, generally or on a case by case basis, at its discretion.

Redemptions of units can be made by making a written request to redeem all or part of your investment. If your written request is received before 4pm (Sydney time) on the Business Day immediately preceding a Dealing Day, it will, subject to any suspension which may be in force (or staggering), as referred to below, be processed at the relevant redemption price calculated for that Dealing Day.

If the Fund becomes illiquid (as defined in the Corporations Act), units may only be withdrawn if we make a withdrawal offer to all unit holders in the Fund in accordance with the Fund's Constitution and the Corporations Act. Under the Corporations Act, a Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund.

## REDEMPTION PAYMENTS

Redemptions will be effected at the redemption price applicable to the class of units to be redeemed as at the relevant Dealing Day.

Redemptions will be paid by EFT to your nominated Australian bank account.

Payments will be processed within 10 Business Days after the Administrator calculates the unit prices for the relevant Dealing Day. Unit prices will be calculated within 10 days after each Dealing Day except in circumstances that prevent the calculation of unit prices (see "Suspension or staggering of redemptions" below). The calculation of unit prices may also be delayed during distribution periods whilst the Fund's income is being calculated. A delay in calculating unit prices will delay the payment of redemption proceeds.

Any restrictions imposed on redeeming units in any of the funds into which the Sub-Trust Portfolios invest may cause a delay in receiving the proceeds from redeeming units in the Fund.

## SUSPENSION OR STAGGERING OF REDEMPTIONS

The Responsible Entity has the right to suspend redemptions, for such period as is reasonable in the circumstances, which may be indefinite, when it considers that it is in the best interest of unit holders, including where it believes it is unable to determine the value of the AEF 5, AEF 7 or the AEF 9 unit classes because, for example:

- any stock market, foreign exchange market or other financial market on which the assets of the Fund, the Portfolios or any Underlying Managed Investment are quoted is closed or trading is otherwise restricted or suspended on that market;
- a state of affairs exists as a result of which it is not reasonably practicable for the Responsible Entity to acquire or dispose of the assets of the Fund or the Portfolios at prices which would be obtained if assets were realised in an orderly fashion over a reasonable period of time in a stable market or to determine fairly the application price or redemption price for the units in the Fund;
- assets of the Fund, the Portfolios or of Underlying Managed Investments are not able to be redeemed; or



# HOW TO INVEST, APPLICATIONS AND WITHDRAWALS CONT.

# UNIT PRICES AND VALUATION

- any moratorium is declared by a government of any country in which a significant proportion of the assets of the Fund, the Portfolios or of Underlying Managed Investments are invested.

If an investor requests a redemption of units that represent more than 5% of the total units in a class of units or in the Fund as a whole, the Responsible Entity may treat the request as being a number of separate requests as though each of the requests was received by the Responsible Entity on up to 20 successive Business Days, commencing with the relevant Dealing Day. This “staggering” of redemptions is exercisable in the discretion of the Responsible Entity and any investor to whom it may apply will be notified of the implementation of the staggering process.

## COMPULSORY REDEMPTION

Subject to the Corporations Act, the Responsible Entity may compulsorily redeem the units of a unit holder where the continued holding of the units by the unit holder would, in the opinion of the Responsible Entity, be contrary to law or to the disadvantage of the Fund, to unit holders as a whole or to the unit holders holding a particular class of units as a whole.

## TRANSFERS

You may transfer all or part of your units to another person at any time subject to the following:

- the transferee (the person to whom you are transferring the units) meets all the application requirements of the Fund;
- the transfer complies with the format and procedures approved by the Responsible Entity;
- the amount you transfer is a minimum of \$5,000 in the aggregate and \$2,000 in respect of any particular class of units; and
- if you are transferring part of your investment both you and the transferee must have a minimum aggregate investment balance of \$15,000 and \$5,000 in any particular class of units, after the transfer.

Perpetual, as responsible entity, reserves the right to vary these minimums at any time and may, in its absolute discretion, refuse to register a transfer of units or may suspend registration of transfers.

Stamp duty at the rate applicable to transfers of non-listed securities may be payable on transfers of units in the Fund.

If you are investing through a Platform, the minimum transfer and investment amounts may be different. As an indirect investor, you will be subject to the rules of the Platform.

Your investment in the Fund will be represented by the issue to you of units in the Fund. The beneficial interest in the assets of the Fund is divided into units that are designated as a particular class of units.

The Fund has three classes of units: AEF 5 Units, AEF 7 Units and AEF 9 Units.

No unit confers an interest in a particular part of the Fund or in any assets of the Fund or assets that are designated as being assets referable to a particular class of units.

Generally, unit prices are calculated on a weekly basis by the following process:

- The value of the assets of each class of units in the Fund is calculated and the value of the liabilities that are referable to the relevant class of units (including fees, taxes, transaction costs and

amounts attributable to current unit holders) is taken away. This gives the Net Class Asset Value for each class of units in the Fund. Where possible market valuations are used, however, where necessary and appropriate, reasonable valuation estimates are used in order for weekly unit prices to be calculated.

- The Net Class Asset Value of each class of units is then divided by the number of units on issue for that class. This gives the Net Class Asset Value per unit of that class.
- The price at which units are offered is the Net Class Asset Value per unit of the relevant class plus the applicable buy spread.
- The price at which units are redeemed is the Net Class Asset Value per unit of the relevant class reduced by the applicable sell spread.

For more information on the buy and sell spreads please refer to “Additional Explanation of Fees and Costs”.

The Responsible Entity has 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. The Responsible Entity calls this its unit pricing policy. The Responsible Entity keeps 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 is available free of charge on request.

For the purposes of distribution reinvestment, unit prices will be calculated after distributions have been paid from the Fund.



# DISTRIBUTIONS

# FEES AND OTHER COSTS

## WHEN ARE DISTRIBUTIONS PAID?

It is the intention of the Responsible Entity that distributions will be made by the Fund usually on a six monthly basis, as at 31 December and 30 June each year. For the purpose of this PDS, each of those dates are also taken to be a Dealing Day. Distributions must be paid within two months after the relevant period end. The Responsible Entity may make additional distributions at its discretion.

The unit holders entitled to receive a distribution are those who held units of the class to which the distribution is made immediately before the cut off time on the Dealing Day as at which the distribution is to be calculated. This does not include those unit holders who have requested that all or some of their units in the class be redeemed on that Dealing Day (if that day is also the last Business Day of a week). The units of that class that are issued on that Dealing Day will be entitled to participate in the distribution. However, the application price for those units will be calculated before the amount to be distributed has been determined.

The Fund derives the income that is attributable to a particular class of units from the return on its investment in the AEF 5 Trust, the AEF 7 Trust or the AEF 9 Trust, as relevant.

Investors should note that distribution payments and rates of return are not guaranteed, as they depend on the performance of the underlying investments of the relevant Sub-Trust's Portfolio. A distribution may be made in respect of one class of units and not in respect of another class of units.

## HOW ARE DISTRIBUTIONS PAID?

A unit holder may elect on the application form whether he/she prefers distributions to be:

- reinvested back into the Fund as additional units of the same class as those in respect of which the distribution is made; or
- paid by electronic credit to a nominated Australian bank account.

The price at which distributions are reinvested into units in the Fund is the Net Class Asset Value price per unit, without the addition of the buy spread. If you are investing in the Fund via a Platform, you will need to consider the fees and other costs of the Platform when calculating the total cost of reinvestment.

### Please Note:

If a unit holder does not indicate how the distribution is to be paid or if the nominated bank returns the distribution, it will be automatically reinvested into the Fund as additional units of the same class as those in respect of which the distribution is made.

### Did you know?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### To find out more

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

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 Fund assets as a whole.

If you are investing in the Fund via a Platform, you will need to consider the fees and other costs of the Platform when calculating the total cost of your investment. See the information in the section "Master Trust, Wrap and Other Platform Accounts".

Taxes are set out in another part of this document.

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



# FEES AND OTHER COSTS

## FEES AND COSTS TABLE

Type of Fee or Cost	AEF 5 Units Amount	AEF 7 Units Amount	AEF 9 Units 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	Nil	Nil	Not Applicable
<b>Contribution Fee</b> The fee on each amount contributed to your investment	Nil	Nil	Nil	Not Applicable
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment	Nil	Nil	Nil	Not Applicable
<b>Exit Fee</b> This is the fee to close your investment	Nil	Nil	Nil	Not Applicable

## MANAGEMENT COSTS<sup>1</sup>

The fees and costs for managing your investment	1.9667% per annum of Net Class Asset Value	1.9657% per annum of Net Class Asset Value	1.9701% per annum of Net Class Asset Value	Management costs consist of the following:
				<b>Management fee<sup>2</sup> –</b> – AEF 5 Units – 1.2655% – AEF 7 Units – 1.2715% – AEF 9 Units – 1.2711%
				Paid from the assets of the relevant class of units on a monthly basis and reflected in the unit price. The management fee is paid to Atrium.
				<b>Indirect costs –</b> – AEF 5 Units – 0.6851% – AEF 7 Units – 0.6877% – AEF 9 Units – 0.6917%
				Paid from the assets of the relevant class of units once the cost is incurred and reflected in the unit price.
				<b>Recoverable expenses –</b> – AEF 5 Units – 0.0161% – AEF 7 Units – 0.0064% – AEF 9 Units – 0.0073%

Generally the direct administration costs of the Fund are paid out of the Management Fee. However, all other expenses and certain administration costs are paid from the assets of the relevant class of units once the cost is incurred and reflected in the unit price (recoverable expenses).

## SERVICE FEES

Switching Fee	Nil	Nil	Nil	Not Applicable
The fee for changing investment options				

1. The management costs consist of a management fee, indirect costs and recoverable expenses and are shown inclusive of GST (10%) less available Reduced Input Tax Credits (RITC). These estimates may vary from time to time and may be rounded to two decimal places. Actual fees and costs may vary from those stated. See below for further details regarding GST and RITC. Management costs do not include transactional and operational costs. Please refer to “Transactional and Operational Costs” in the “Additional Explanation of Fees and Costs” for more information. All fees and costs disclosed in this section are based on information available as at the date of this PDS.

2. This fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act. Please refer to the “Additional Explanation of Fees and Costs” for more information.

**In certain circumstances the fees charged to the Fund may be higher than set out above. This is explained more fully under “Additional Explanation of Fees and Costs”.**

## EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE: AEF 7 Units	Balance of \$50,000 with a contribution of \$5,000 during year	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged nil.
Plus Management Costs	1.9657% pa of Net Class Asset Value	And, for every \$50,000 you have in the Fund by holding AEF 7 Units, you will be charged \$982.85 each year.
Equals Cost of Fund		If you had an investment of \$50,000 in AEF 7 Units at the beginning of the year and you put in an additional \$5,000 into AEF 7 Units during that year, you would be charged fees of: \$1,081.14
		<b>What it costs you will depend on the fees you negotiate.</b>

The above example does not take into account any transactions you might undertake, nor any transactional and operational costs. The above example also assumes that the contribution of \$5,000 is made at the beginning of the year. Also, if you are investing through a Platform there may be additional fees and costs charged by the operator of that service. Please refer to the offer document of the Platform for the fees applicable to your investment.



# FEES AND OTHER COSTS CONT.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### Management Costs

Management costs are comprised of a management fee, recoverable expenses and indirect costs. The Fund does not charge a performance fee. Any management fee, performance fees, recoverable expenses and indirect costs charged by interposed vehicles are included in the management cost (as part of the Fund's indirect costs) in the Fees and Costs Table; they are not an additional cost to you. The management costs do not include transactional and operational costs.

The management costs components are based on figures for the previous financial year or where relevant the Manager's reasonable estimate of the particular fee or cost. Estimates may be based on a number of factors, including (where relevant), previous financial year information, information provided by third parties or as a result of making reasonable enquiries, and typical costs of the relevant investment. As such, actual fees and costs may differ and are subject to change from time to time. The management costs of the Fund may vary on a year on year basis depending on asset allocation and underlying managers selected by the Manager. Accordingly, prospective costs may vary if we select managers with different performance fees or refine our fee arrangements with underlying managers.

### Management Fee

The management fee is charged by the Responsible Entity for managing and operating the Fund. While the Constitution entitles the Responsible Entity to a maximum management fee of 5.0% per annum of the Class Unit Value of each class of units on issue, the management fee that is charged is set out in the Fees and Costs Table. The Responsible Entity has agreed to pay the management fee that is received to the Manager and the Manager has agreed to pay certain costs.

### Recoverable Expenses

The Fund's Constitution allows the Responsible Entity to recover directly from the Fund any administration costs and any expenses incurred in connection with the performance of its duties and obligations in operating the Fund. The Fund's Constitution does not set a maximum limit on the amount that can be recovered.

The Manager will pay the direct administration costs of the Fund, which include the fees of the Responsible Entity, the Custodian, the Investment Manager, the Administrator and the Fund auditor as well as distribution fees and other costs incurred in establishing, running and promoting the Fund with the exception of transactional and operational costs (as explained below) and recoverable expenses. The direct administration costs are met out of the Manager's own funds, including the management fee.

The Manager is entitled to be reimbursed by the Responsible Entity for all expenses it reasonably and properly incurs for providing portfolio management services in accordance with the investment management agreement between the Responsible Entity and the Manager. The Responsible Entity may recover these expenses directly from the Fund where they have been reasonably and properly incurred. Although the Manager has agreed to pay the direct administration costs of the Fund out of its management fee entitlement, the Manager and Responsible Entity may recover all other expenses directly from the asset of the Fund where they have been reasonably and properly incurred. These recoverable expenses include costs which are not generally incurred in the day-to-day running of the Fund or where the Manager cannot pay certain administration costs. These recoverable expenses include but are not limited to the costs of a meeting of unit holders or legal costs incurred in legal proceedings. Recoverable expenses are deducted from the Fund and so are accounted for in the unit price of the Fund and are not a direct cost paid by you. Recoverable expenses are deducted as and when they arise.

Estimated recoverable expenses are included in the management cost in the Fees and Costs Table.

### Indirect Costs

Indirect costs are any amounts paid from the Fund's assets that we know or reasonably estimate will reduce the Fund's returns (other than the management fee, recoverable expenses and transactional and operational costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as a sub-trust) in which the Fund may invest.

The amount of indirect costs shown in the Fees and Costs Table include (a) the indirect costs that we know or ought to know for the previous financial year and (b) where we do not know or ought to know the indirect costs, a reasonable estimate of those indirect costs based on the information available to us as at the date of this PDS. As such, the actual indirect costs may differ to the amount shown in the Fees and Costs Table from year to year.

Generally, an interposed vehicle is a body, trust or partnership in which the Fund's assets are invested. It includes, for example, an underlying fund.

The indirect costs include, but are not limited to, management costs of an interposed vehicle, including management fees of the underlying fund, performance related fees, recoverable expenses and any indirect costs of underlying managers or interposed vehicles in which the Fund invests.

The fees and expenses of operating the Sub-Trusts are normally charged directly to the Fund and allocated to the appropriate class of units. The Sub-Trusts may incur third party costs associated with the due diligence and ongoing review of investments. These costs may be paid from the assets of the relevant Sub-Trust, in which case they are included in the indirect costs for the Fund.

Investors should be aware that the underlying investments of the Portfolios may include funds or other investments managed by the Investment Manager or entities related to it and for which fees are charged to or borne by the investors in those underlying investments which investors will include the Sub-Trusts. If the assets of a Portfolio are invested in an underlying managed fund where Atrium is the investment manager, the investment management fees payable to Atrium will be rebated to the Fund except in certain circumstances such as if the rebate arrangements are changed or discontinued by Atrium or further to regulatory change.

### Performance related fees of underlying funds

The Fund does not charge a performance fee. However, an underlying manager may charge a performance related fee. Performance related fees reward investment managers if they meet specific investment performance targets, which means an investment manager may earn a performance related fee irrespective of the Fund's overall performance. Generally, the greater the investment performance of an underlying manager, then the greater the performance related fees (where applicable) and therefore the overall management costs for the Fund are higher.



# FEES AND OTHER COSTS CONT.

## Transactional and Operational Costs

Transactional and operational cost associated with dealing with the Fund's assets may be recovered from the Fund's assets in addition to the fees and costs noted in the Fees and Costs Table. Fund transactional and operational costs are the costs associated with the buying and selling of investments, such as brokerage fees, government charges, settlement costs and clearing costs. Transactional and operational costs are not borne by the Manager and are not included in, or covered by, the management costs described above, but are an additional cost to the Fund. Transactional and operational costs are accounted for in the unit price of the Fund and are an additional cost to you.

The transactional and operational costs for the Fund for the previous financial year were:

- AEF 5 Units 0.9225% pa of the Net Class Asset Value.
- AEF 7 Units 0.9339% pa of the Net Class Asset Value.
- AEF 9 Units 0.9572% pa of the Net Class Asset Value.

The above transactional and operational costs include any transactional and operational costs that may be incurred indirectly by the Fund in any interposed vehicle the Fund may invest in (to the extent that a buy-sell spread is charged by any interposed vehicle, the interposed vehicle's net transactional and operational costs are included).

Based on the buy-sell spread recovered for applications and redemptions for the Fund in the previous financial year, the net transactional and operational costs of the Fund (representing the total transactional and operational costs minus the buy-sell spread recovered) for the previous financial year was:

- AEF 5 Units 0.8836% pa of the Net Class Asset Value.
- AEF 7 Units 0.9007% pa of the Net Class Asset Value.
- AEF 9 Units 0.9059% pa of the Net Class Asset Value.

The net transactional and operational costs are borne by the Fund and are reflected in the unit price.

## Buy-Sell Spread

Investments and withdrawals in the Fund may incur buy-sell spreads, which are designed to ensure, as far as practicable, that any transactional and operational costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not by other investors.

Buy and sell spreads are calculated based on the actual or estimated cost the Fund may incur when buying or selling assets. For the purpose of determining the buy-sell spread the transactional and operational costs for the Fund are those estimated by the Responsible Entity. The method by which the Fund transactional and operational costs are calculated is set out in the unit pricing policy of the Responsible Entity, a copy of which is available from it on request.

When you enter or leave the Fund, any buy or sell spread applicable at that time is a cost to you, additional to any fees noted in the Fees and Costs Table. The buy-sell spread is retained by the Fund, as an asset referable to the relevant class of units, to cover the transactional and operational costs involved in buying and selling assets and is reflected in the unit price. As at the date of this document, the buy spread and the sell spread for each class of units in the Fund is set out in the table shown.

For example:

If the Net Class Asset Value of the AEF 5 Units is \$50,000,000 and there are 50,000,000 AEF 5 Units on issue, the Net Class Asset Value per AEF 5 Unit will be \$1.00; then:

- the application price will be \$1.0010 per AEF 5 Unit (being \$1.00 + (0.10% x \$1.00); and
- the redemption price will be \$0.9990 per AEF 5 Unit (being \$1.00 – (0.10% x \$1.00)).

Based on an application price of \$1.0010, per AEF 5 Unit, if you were to invest \$100,000 into the Fund to acquire AEF 5 Units, this would equal approximately 99,900 units.

Based on a redemption price of \$0.9990 per AEF 5 Unit, if you were to redeem \$100,000 from your account, this would equal approximately 100,100 units.

Please note that the above figures are not actual figures. They are intended to be illustrative only.

The Constitution does not impose a limit on the maximum buy or sell spread that may be set in respect of any class of units. Nor need the buy-sell spreads be identical over each class of units. The buy or sell spread may change from time to time as the costs of buying or selling assets fluctuates.

	AEF 5 Units	AEF 7 Units	AEF 9 Units
Buy Spread	0.10%	0.10%	0.15%
Sell Spread	0.10%	0.10%	0.15%





# FEES AND OTHER COSTS CONT.

## Other costs that may be charged to you

Any costs directly associated with transactions made on your unit holder account will be charged to you by deduction from your account if and when they occur. These include but are not limited to government taxes, special request fees, bank transaction and dishonour fees and any other charges incurred as a result of you transacting on your account.

They do not include the costs of processing your subscription or redemption requests, maintaining your unit holder account on the register and regular reporting to you as a unit holder. These costs are charged to the Fund as administration costs and are included in the management costs shown in the Fees and Costs Table and the example of fees and costs.

## Intermediary Fees

The fees payable to brokers, platforms and other intermediaries in relation to the distribution of units will be borne by the Manager.

## Adviser Service Fees

Your financial adviser may also charge you fees in addition to those described above for providing you with initial and ongoing advice. These fees are payable separately by the investor and are not paid out of the Fund. Adviser service fees apply on an individually negotiated basis, so you should speak to your financial adviser about these fees. Details of the fees charged by your financial adviser, as well as the manner in which an Adviser service fee will be paid by you, will be in the financial services guide and statement of advice which your financial adviser will give you.

## GST

Unless otherwise stated, all fees and charges are shown inclusive of Goods and Services Tax (**GST**) net of any applicable RITC. You should be aware that the different rate of 55% may be applied to some fees and costs. The estimated management costs are based on the GST rate (10%) and available RITC however this estimate may vary from time to time depending on a variety of factors including the Net Asset Value of the relevant class, the types of fees and costs paid and any changes to the GST rate and the RITC available.

## Tax

The taxation implications for investing in the Fund are set out in the Taxation section of this PDS.

## Change of Fees and Costs

Fees and costs can change for a variety of reasons including changes in the economic, regulatory and competitive environment.

You will be given at least 30 days' notice if, within the limits imposed by the Constitution, the fees or charges payable by the Fund to the Responsible Entity are to increase. Perpetual reserves the right to waive or reduce any of the fees and expenses described in this PDS without prior notice. All fees and costs disclosed in this section are based on information available as at the date of this PDS.

Under the Constitution, the Responsible Entity may charge an entry fee of up to 5% of the application price and an exit fee of up to 5% of the redemption price. It is not the current intention of the Responsible Entity to charge the entry fee or exit fee. Nor is the current intention of the Responsible Entity to charge the costs and expenses that may be incurred in processing transfers of units (which the Constitution caps at 5% of the unit value of the units being transferred).

## Differential fees

A different management fee may be individually negotiated with investors who are wholesale clients for the purposes of the Corporations Act.



# TAXATION

The following information is general in nature and only applies to investors who are residents of Australia for income tax purposes and hold their units on capital account.

It is recommended that investors consult their own taxation adviser about their own specific taxation circumstances, particularly investors that do not acquire their units on capital account.

## TAX POSITION OF THE FUND

Generally, no Australian income tax will be payable by the Fund because the Fund will distribute all net taxable income (including net capital gains) that the Fund derives.

If the Fund incurs a revenue tax loss, it must be carried forward and may be applied against assessable income in future years subject to the Fund satisfying the statutory rules for tax losses. The same principles apply to carrying forward losses in a Sub-Trust. However, tax losses incurred by a Sub-Trust cannot be offset against assessable income of another Sub-Trust.

The tax implications for an investor depend on the components of the distribution received.

## TAX POSITION OF AUSTRALIAN RESIDENT INVESTORS

### Distributions

Investors must include their proportion of the net taxable income of the Fund in their income tax return for the year it was earned by the Fund even if the distribution is reinvested to acquire additional units or payment of the distribution is after 30 June.

### Franked Dividends

Where the Fund or Sub-Trust invests in Australian equities, an investor's share of the Fund's net taxable income may include an entitlement to franking credits. Depending on the investor's particular circumstances, these amounts may be available to offset their tax liability or be paid as a refund if the franking credits exceed their total tax liability.

Under certain circumstances, an investor's entitlement to franking credits may be denied where they have not held the units at risk for at least 45 days.

## Foreign income and foreign tax offsets

Foreign income (e.g. foreign interest and dividends) received by the Fund from sources outside Australia may be subject to withholding tax in the country from which the income is derived. Investors may be entitled to claim a foreign income tax offset against their Australian tax liability for foreign tax paid.

### Capital gains tax

Taxable net capital gains made by the Fund may be distributed to you. The Fund may also distribute the non-assessable portion of a discount capital gain. No adjustment to the cost base of the investor's units will be required in respect of the non-assessable discount capital gain concession.

## Disposal of units

Investors may be liable for capital gains tax on gains realised on disposal of their units in the Fund. Disposal of units may be in the form of redemption or transfer.

If you have held your units for at least 12 months, individuals and trusts may be entitled to a capital gains discount of 50% whereas complying superannuation funds may be entitled to a discount of 33.33%.

Non-assessable amounts (if any) other than those relating to the discount capital gain concession, that are distributed to you may reduce the cost base of your units, which will result in an increased capital gain or a reduced capital loss on the subsequent disposal of units.

## Managed Investment Trusts

The Managed Investment Trust (MIT) regime allows eligible MITs to make an irrevocable election to adopt capital account treatment for certain types of assets (for example, shares, units and real property) for income years to which the election applies. The irrevocable election has been made in respect of the Fund and accordingly deemed capital treatment will apply in respect of the qualifying assets for the income years to which the election applies. The MIT capital account election does not apply in respect of certain debt securities.



# TAXATION CONT.

## Attribution Managed Investment Trusts

The new Attribution Managed Investment Trust (**AMIT**) regime can apply to certain MITs which elect into the regime. The regime can apply from 1 July 2016 although there was an optional early start date of 1 July 2015.

The AMIT rules contain a number of provisions that impact on the taxation treatment of the Fund. The key features of the new tax system include:

- the ability to treat separate classes of units as separate trusts for tax purposes;
- an attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- 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.

Although a decision has not yet been made when, and if, the Responsible Entity will elect for the Fund to be an AMIT, the Responsible Entity has

amended the Fund's Constitution and the Sub-Trusts' Constitutions to facilitate the Fund and Sub-Trusts operating under the new AMIT regime. The Responsible Entity will monitor the potential impact of the AMIT rules on the Fund in order to determine if it should elect into the regime. The comments in this section on 'Taxation' are made on the basis that the Responsible Entity has not elected into the AMIT regime.

## Taxation of Financial Arrangements

Since 1 July 2010, the Taxation of Financial Arrangement (**TOFA**) provisions have applied on a mandatory basis to qualifying taxpayers in respect of certain financial arrangements. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on an accruals basis, which may result in a taxing point prior to the realisation of the investment. Due to the implementation of the TOFA regime, there may be some instances where your share of the taxable income of the Fund exceeds the cash distribution you receive from the Fund. As at the date of this PDS, the Responsible Entity has not made an election to apply one of the elective methods under TOFA.

## GST

Fees and expenses incurred by the Fund, such as management costs, will generally attract GST at the rate of 10%. Given the nature of the Fund's activities, the Fund will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, a RITC should be available for the GST paid on the expenses incurred by the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75% depending on the nature of the fee or cost incurred.

No GST obligations arise for investors on the application, redemption or transfer of units in the Fund. Distributions made by the Fund will also not be subject to GST.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

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.

In order to comply with these obligations, the Responsible Entity 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 STANDARDS

The Common Reporting Standard (**CRS**) is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

From 1 July 2017, the CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

## TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN)

It is not compulsory for investors to quote their ABN, TFN or apply for an exemption. However, failure to do so may cause the Fund to withhold tax at the highest marginal rate plus the Medicare Levy and Budget Repair Levy (if applicable) from certain payments if this information is not provided.

## ANNUAL TAXATION STATEMENT

To help you complete your tax return, you will be sent an annual taxation statement for taxation purposes. It will set out the taxable and non-taxable components of the Fund's distributions during the year.



# KEEPING YOU INFORMED

# ADDITIONAL INFORMATION

To keep you informed of your investment, the following information will be provided or made available to investors electronically:

- confirmation of every transaction you make;
- annual transaction reports – including your opening and closing balances, a summary of all transactions on your account, any increases in contributions and any return on investments during the reporting period;
- financial reports for the Fund will be published on the website at [www.atriuminvest.com.au](http://www.atriuminvest.com.au) as soon as practicable after lodgement with ASIC;
- following the end of the tax year, a tax statement to help you with your tax return; and
- notice of any material changes to this PDS and any other significant event.

If you are investing through a Platform then reports on your investment will come from the Platform operator, not from us, and may be different from the reports above.

The Fund has more than 100 unit holders and is a disclosing entity under the Corporations Act. As a disclosing entity it is subject to certain regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

An investor in the Fund has the right to obtain the following documents from Perpetual free of charge:

- the most recent annual report;
- the half yearly financial report lodged with ASIC in respect of the Fund; and
- any continuous disclosure notices issued in respect of the Fund after lodgement of the annual report and prior to the date of this PDS.

In accordance with ASIC policy, the Responsible Entity has elected to make all of the above documents, as well as any other information that needs to be provided to investors under ASIC policy, available on the Manager's website at [www.atriuminvest.com.au](http://www.atriuminvest.com.au) instead of lodging continuous disclosure notices with ASIC. Investors are encouraged to check this website regularly for such information. If this practice ceases, the Responsible Entity will notify the investors.

You must advise of any change to your personal details in writing. The Administrator will in turn acknowledge any advised changes to your details in writing.

## THE RESPONSIBLE ENTITY

### Perpetual Corporate Trust

The Trust Company (RE Services) Limited is the Responsible Entity of the Fund. The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827), which is a diversified financial services group providing specialised investment management, wealth advice and corporate fiduciary services to individuals, families, financial advisers and institutions, and which is listed on the Australian Securities Exchange (ASX) (ticker: PPT).

Perpetual Group has three core businesses:

- Perpetual Investments – specialised asset management
- Perpetual Private – personal wealth advisory to high net worth segments
- Perpetual Corporate Trust – corporate fiduciary services

Perpetual's offices are located in Sydney (its principal registered office), Canberra, Melbourne, Brisbane, Adelaide and Perth. Perpetual holds an AFSL 235 150, which authorises it to operate registered managed investment schemes. Perpetual is responsible for the operation of the Fund and it has the power to delegate

certain duties. It ensures that the Fund is operated in accordance with the Constitution and the Corporations Act. More information about Perpetual can be found at [www.perpetual.com.au](http://www.perpetual.com.au).

Perpetual is the issuer of this PDS and of units in the Fund. Perpetual's role is to administer the Fund in accordance with the Constitution. In carrying out its role, Perpetual must comply with the Corporations Act and must:

- act honestly and in the best interests of all unit holders;
- exercise due care and diligence;
- treat unit holders holding the same class of units equally and those holding different classes of units, fairly as among themselves; and
- give priority to the interests of unit holders in the event of a conflict between the interests of the Responsible Entity and those of unit holders.

Perpetual regularly monitors the performance of its service providers against documented service level agreements.



# ADDITIONAL INFORMATION CONT.

## THE RIGHTS OF THE RESPONSIBLE ENTITY

Perpetual may rely on the professional advice of barristers or solicitors, information supplied by bankers, accountants, valuers and other experts.

Perpetual is not liable to any unit holder for making tax or similar payments. Perpetual, and each director and officer of Perpetual, is entitled to be indemnified out of the assets of the Fund in respect of (1) all liabilities incurred by Perpetual arising in or about the investment and administration of the Fund and the assets of the Fund, (2) all liabilities incurred by Perpetual relating to the execution of any powers, duties, authorities and discretions vested in it by the Constitution (3) all liabilities incurred by Perpetual in the conduct and management of any business forming part of the assets of the Fund (4) all costs and expenses incurred by Perpetual in investigating any demand and taking or defending any action or other proceeding in relation to anything done or omitted to be done concerning the Fund and (5) all liabilities incurred in the acquisition of any investment under any contract entered into by Perpetual. Perpetual is not liable to unit holders to any greater extent than the assets held in the Fund, or received, or to be received by it and is not personally liable in contract, tort, or otherwise

to any unit holder or other person for any loss suffered in any way relating to the Fund, or for any act or failure to act in connection with the Fund or with the office of responsible entity, or of director or officer, except for the fraud, negligence or breach of trust by Perpetual.

Perpetual has appointed an independent custodian, National Australia Bank Limited, ABN 12 004 044 937, to hold the assets of the Fund.

Perpetual may retire effective on appointment of a new responsible entity. Any retirement and appointment of a replacement responsible entity must be in accordance with the Constitution and the Corporations Act.

## INTERESTS OF THE RESPONSIBLE ENTITY

No benefit has been paid or given to Perpetual or a director of Perpetual in relation to the promotion of the Fund other than as set out in this PDS. From time to time, Perpetual and its directors may hold securities, in their own personal capacities, in which the Fund or any of the Sub-Trusts may invest. The trustee of each of the Sub-Trusts is a related body corporate of Perpetual. No fees are payable to that company for acting as the trustee of any of those Sub-Trusts.

## THE CONSTITUTION

The operation of the Fund is governed under the laws of Australia and its Constitution which addresses matters such as unit pricing and withdrawals and applications; the issue and transfer of units or classes of units; unit holder meetings; unit holders' rights including unit holders' rights to income of the Fund; the Responsible Entity's powers to invest, borrow and generally manage the Fund and fee entitlement and right to be indemnified from the Fund's assets.

The Constitution states that your liability is limited to the amount you paid for your units, but the courts are yet to conclusively determine the effectiveness of provisions of this kind.

The Responsible Entity may alter the Constitution if it reasonably considers the amendments will not adversely affect investors' rights. Otherwise the Responsible Entity must obtain investors' approval by special resolution at a meeting of investors. The Responsible Entity may retire or be required to retire as Responsible Entity (if investors vote for its removal).

The Responsible Entity may exercise its right to terminate the Fund in accordance with the Constitution and the Corporations Act. This includes the right, exercisable in consultation with the Manager to give not less than 30 days' notice of its intention to terminate the Fund. Investors have the right to require the termination of the Fund by passing an extraordinary resolution (that is, one that is passed by the investors holding not less than 50% of the units in the Fund).

Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

## THE COMPLIANCE PLAN

A Compliance Plan has been prepared for the Fund to ensure compliance with the Corporations Act in relation to registered managed schemes and with the Constitution. The Compliance Plan is designed to document compliance risks and the monitoring process and to provide a basis for compliance adherence and auditing. A compliance committee with the required number of external compliance members has been appointed. The Compliance Plan has been lodged with ASIC and is independently audited.

## THE CUSTODIAN

Perpetual has appointed National Australia Bank Limited (**NAB**), ABN 12 004 044 937, as the independent custodian to hold the assets of the Fund. NAB's role as custodian is limited to holding the assets of the Fund as the agent of Perpetual. NAB has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. NAB makes no statement in the PDS and has not authorised or caused the issue of it. NAB holds investments of the Fund as bare trustee and such investments are not investments of NAB or any other member of the NAB group of companies (**NAB Group**). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of Perpetual, Atrium or any of their related entities.

## THE ADMINISTRATOR

Perpetual has appointed NAB as the fund administrator (**Administrator**) independent of the Responsible Entity to, amongst other things, calculate the Net Asset Value and maintain records of all unit holder transactions carried out by NAB on behalf of the Fund. NAB has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Administration Agreement. NAB makes no statement in the PDS and has not authorised or caused the issue of it. Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of Perpetual, Atrium or any of their related entities.



# ADDITIONAL INFORMATION CONT.

## CONFLICTS OF INTEREST

Subject to the Constitution and the Corporations Act, the Responsible Entity, the Manager, the Investment Manager and their associates may from time to time:

- represent or act for, or contract with, their affiliates and associates;
- invest, directly or indirectly, in units in the Fund, on the same terms as other investors;
- invest in and deal in any capacity, with the same investments as that of the Fund, on similar or different terms;
- act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of unit holders;
- recommend that investments be purchased or sold, on behalf of the Fund, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;

- appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting its obligations and responsibilities in respect of the Fund; and/or
- receive and retain profits or benefits of any nature, in connection with the Fund,

and may do so without being liable to account to the Fund or investors.

## MANAGEMENT OF ACCOUNTS BY THE MANAGER

The Manager and its principals and affiliates may act as investment manager or promoter for several funds and accounts, and may in the future act as general partner, trustees, product issuers, and/or trading advisers for other funds and accounts.

## INVESTMENTS MANAGED BY THE MANAGER

To the extent the Manager allocates to invest assets of a Portfolio in another Underlying Managed Investment or other assets managed by the Manager or any of its affiliates, the Manager or its affiliates may receive management and performance fees (typically based on both a percentage of assets managed as well as on performance) from such investment fund or assets.

If the assets of a Portfolio are invested in an underlying managed fund where Atrium is the investment manager, the investment management fees payable to Atrium will be rebated to the Fund except in certain circumstances such as if the rebate arrangements are changed or discontinued by Atrium or further to regulatory change.

Each of the Responsible Entity and the Manager has and maintains a management of conflicts of interest policy. Each of them identifies and manages any perceived or potential conflict of interest, which include but are not limited to the above, that may arise in the manner identified in its policy. Those policies and the related procedures require, among other things:

- the identification of any actual or potential conflicts and the reporting of these to the relevant party's board and in the case of the Responsible Entity, its Compliance Officer;
- all related party transactions to be on arms length terms;
- the establishment and maintenance of a register of conflicts; and
- the consideration of the register by the board and in the case of the Responsible Entity by the compliance committee of the Fund on a quarterly basis.

The management of conflicts of interest policy of the Responsible Entity is available on request from the Responsible Entity at no charge.

## COMPLAINTS RESOLUTION

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity or the Manager during business hours.

The Responsible Entity will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case no later than 30 days on receipt of the complaint.

If an investor is not satisfied with the outcome, the complaint can be referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution scheme of which the Responsible Entity and the Manager are members.

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

Australian Financial Complaints Authority

GPO Box 3  
Melbourne VIC 3001  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.au)

Where you invest via an IDPS, any enquiries and complaints should generally be directed to the IDPS operator and not to us. From 1 January 2018 however, all investors (regardless of whether you hold units in the Fund directly or hold units indirectly via an IDPS) are able to access Perpetual's complaints procedures outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.



# ADDITIONAL INFORMATION CONT.

# ADDITIONAL INFORMATION

## PRIVACY

### Direct investors

The Responsible Entity and service providers to the Responsible Entity or the Fund (including the Administrator and the Custodian) 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 your relevant personal information, we will not be able to do so.

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

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- how you may access personal information that we hold 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 us, and how we will deal with such a complaint
- whether we are 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 us to specify those countries.

The Responsible Entity's privacy policy is publicly available at their website at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Responsible Entity. A copy of the Manager's privacy policy is publically available at [www.atriuminvest.com.au/privacy-policy/](http://www.atriuminvest.com.au/privacy-policy/).

### Indirect investors

If you are investing indirectly through a Service, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your Service 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 the Responsible Entity (**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, the 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 they 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 Administrator as its agent (collectively "the Entities") reserve the right to request such information as is necessary to verify the identity of an Investor and the source of the payment. In the event of delay or failure by the Investor 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 the Investor for any loss suffered by the Investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result 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 as a result of their compliance with the AML Requirements as they apply to the Fund; and
- the Responsible Entity or 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 as a result of our compliance with the AML Requirements.



# GLOSSARY

# CORPORATE DIRECTORY

Term	Meaning
<b>Asset allocation</b>	The list of percentage allocations to each asset class in a portfolio.
<b>Asset class</b>	A group of assets defined by convention with similar characteristics which trade on the same or related markets.
<b>Business Day</b>	A day other than Saturday or Sunday when banks are open for business in New South Wales.
<b>Dealing Day</b>	A Dealing Day is the last Business Day of each week and for the purposes of distributions and distribution reinvestment, the last day of each distribution period
<b>Derivative</b>	A contract which provides for the delivery of an asset or security from one party to another at a fixed price on a future date. Most derivatives are cash settled, whereby at the time of expiry of the derivatives contract the difference between the prevailing market price and the fixed price is paid from one party to the other, in a way that provides the same profit or loss to the counterparties as if the security had been simultaneously bought on-market, delivered at the fixed price, and then sold on-market.
<b>Hedged</b>	A risk exposure whose effect in the portfolio has been neutralised through the use of a derivative.
<b>Leverage</b>	A fund is leveraged when the asset exposures of the fund sum to greater than 100%. This is usually achieved either through borrowing or derivative contracts.
<b>Liquidity</b>	The propensity of an investment to be readily sold for cash without influencing the price of the investment.
<b>Risk</b>	In investment management terms is the difference between expected returns and the return achieved. This is usually defined as the volatility or standard deviation of the return.
<b>Short selling</b>	Selling an investment (which has been borrowed from another party) now with the intention of buying it back at a later date, at a profit. Short selling may also be achieved through the use of derivatives.
<b>Standard deviation</b>	This shows how much variation or dispersion from the average exists. A low standard deviation indicates that the data points tend to be very close to the mean (also called expected value); a high standard deviation indicates that the data points are spread out over a large range of values.
<b>Strategic asset allocation</b>	The periodic rebalancing a Portfolio in order to maintain or change a long-term goal for asset allocation.
<b>Tactical asset allocation</b>	An active investment strategy that rebalances the percentage of assets held in various asset classes in order to take advantage of market pricing anomalies or strong market sectors. This may be contrasted with strategic asset allocation, explained above.
<b>Underlying Managed Investments</b>	The underlying managed funds, managed accounts and other investment structures in which the Fund may invest in order to gain exposure to the desired end investments.
<b>Volatility</b>	Can be measured by reference to the variation from the average expected return – the larger the deviation percentage the greater the level of volatility.

## Responsible Entity

The Trust Company  
(RE Services) Limited  
Level 18, Angel Place, 123 Pitt St  
Sydney NSW 2000  
Tel: (02) 9229 9000  
[www.perpetual.com.au](http://www.perpetual.com.au)

## Investor Enquiries – Manager and Investment Manager

Atrium Investment  
Management Pty Ltd  
Level 9, 10-14 Spring St  
Sydney NSW 2000  
Tel: (02) 9248 8090  
Fax: (02) 9248 8010  
[www.atriuminvest.com.au](http://www.atriuminvest.com.au)

## Custodian and Administrator

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GPO Box 1406  
Melbourne VIC 3001  
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