

PERPETUAL CREDIT INCOME TRUST

ARSN 626 053 496

PRODUCT DISCLOSURE STATEMENT
8 MARCH 2019

RESPONSIBLE ENTITY

Perpetual Trust Services Limited
ACN 000 142 049 AFSL 236648

MANAGER

Perpetual Investment Management Limited
ACN 000 866 535 AFSL 234426

JOINT LEAD ARRANGERS AND JOINT LEAD MANAGERS

Commonwealth Securities Limited ACN 067 254 399 AFSL 238814
Morgans Financial Limited ACN 010 669 726 AFSL 235410
National Australia Bank Limited ACN 004 044 937 AFSL 230686

CO-MANAGERS

Bell Potter Securities Limited ACN 006 390 772 AFSL 243480
Ord Minnett Limited ACN 002 733 048 AFSL 237121
Shaw and Partners Limited ACN 003 221 583 AFSL 236048

IMPORTANT NOTICES

This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this document.

The Perpetual Credit Income Trust (ARSN 626 053 496) (**Trust**) is an Australian registered managed investment scheme.

This document is a product disclosure statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act 2001 (Cth) (**Corporations Act**) and is issued by the Responsible Entity.

KEY TERMS

Certain industry terms have been explained on page 15. Certain terms and abbreviations in this PDS that have defined meanings are also explained on pages 76-78. Defined terms are generally identifiable by the use of an upper case first letter.

RESPONSIBLE ENTITY

The Responsible Entity of the Trust is Perpetual Trust Services Limited ACN 000 142 049 AFSL 236648 (**Responsible Entity**).

MANAGER

The Responsible Entity has appointed Perpetual Investment Management Limited ACN 000 866 535 AFSL 234426 (**Manager** or **Perpetual Investments**) as Manager of the Trust under an Investment Management Agreement. The Manager is authorised to provide investment and other services to the Trust.

JOINT LEAD MANAGERS AND CO-MANAGERS

The Joint Lead Managers and the Co-Managers will together manage the Offer on behalf of the Trust. The Joint Lead Managers are Commonwealth Securities Limited ACN 067 254 399 AFSL 238814 (**CommSec**); Morgans Financial Limited ACN 010 669 726 AFSL 235410 (**Morgans**); and National Australia Bank Limited ACN 004 044 937 AFSL 230686 (**NAB**). The Co-Managers are Bell Potter Securities Limited ACN 006 390 772 AFSL 243480; Ord Minnett Limited ACN 002 733 048 AFSL 237121; and Shaw and Partners Limited ACN 003 221 583 AFSL 236048.

LODGEMENT AND LISTING

This PDS is dated 8 March 2019 and a copy of this PDS was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. The Responsible Entity will apply to the Australian Securities Exchange (**ASX**) no later than seven days after the date of this PDS for admission of the Trust to the official list of the ASX. Neither ASIC nor the ASX (nor their respective officers) take any responsibility for the contents of this PDS. Admission to the official list of the ASX is in no way an indication of the merits of the Trust.

FORWARD-LOOKING STATEMENTS

This PDS contains forward-looking statements that, despite being based on the Responsible Entity's and the Manager's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Responsible Entity and the Manager. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements

to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this PDS. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 7 of this PDS. Forward-looking statements include those statements containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions that are predictions of or indicate future events and future trends.

The Responsible Entity and the Manager do not make any representation, express or implied, in relation to forward-looking statements other than required by law and potential investors are cautioned not to place undue reliance on these statements. The Responsible Entity and the Manager do not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this PDS, except where required by law.

FEES AND COSTS INFORMATION

As part of the disclosures of fees and costs required by the Corporations Act, certain fees and costs information disclosed within this PDS is based upon the Responsible Entity's reasonable estimate of these fees and costs. Such fees and costs information is not indicative of the fees and costs that you may actually incur for your investment.

NOTICE TO INVESTORS

No person is authorised to provide any information, or to make any representation, about the Trust or the Offer that is not contained in this PDS. Potential investors should only rely on the information contained in this PDS. Any information or representation not contained in the PDS may not be relied on as having been authorised by the Responsible Entity or any other person in connection with the Offer. The Trust's business, financial condition, operations and prospects may have changed since the date of the PDS.

No person named in this PDS warrants or guarantees the future performance of the Trust, the repayment of capital, any rate of return or any payment of distributions, that there will be satisfactory liquidity in Units once they are listed on the ASX, that the market price of Units when listed on the ASX will be similar to the Net Tangible Assets (**NTA**) per Unit, or the security of your investment. An investor's investment in the Trust does not represent deposits or other liabilities of the Responsible Entity, the Manager or any of their related entities.

Before deciding to invest in the Trust, investors should read the entire PDS. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Trust. The information in this PDS is of a general nature only and does not take into account an investor's personal financial situation, investment objectives or needs. An investment in the Trust is subject to investment risk, which may include loss of principal invested. For more information on the risks associated with an investment in the Trust, please refer to section 7 of this PDS. Before making an investment decision based on this PDS, investors should seek professional guidance from their stockbroker, financial adviser, solicitor, accountant or other professional adviser to obtain advice that is tailored to suit their personal circumstances.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia and New Zealand. Further important information specific to New Zealand investors is provided in section 5.7. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

EXPOSURE PERIOD

The Corporations Act prohibits the Responsible Entity from processing applications under the Offer in the seven-day period after the lodgement date of the PDS with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this PDS to be examined by ASIC and market participants prior to the raising of funds under the Offer. This examination may result in the identification of deficiencies in this PDS and, if deficiencies are detected, the Responsible Entity will provide a supplementary or replacement PDS to correct the deficiency.

This PDS will be made generally available to Australian and New Zealand residents during the Exposure Period, without the Application Form, by being posted on the Trust's website (www.perpetualincome.com.au).

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in Units pursuant to this PDS. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

Details of the rights and obligations attached to each Unit are summarised in section 12.1 and set out in the Constitution. The material provisions of the Constitution are also summarised in section 12.1. A copy of the Constitution is available, free of charge on request from the Responsible Entity.

ELECTRONIC PDS

The PDS may be viewed online at www.perpetualincome.com.au. Any person accessing the electronic version of this PDS, for the purpose of making an investment in the Trust, must only access the PDS from within Australia, New Zealand, or any jurisdiction outside Australia and New Zealand where the distribution of the electronic version of this PDS is not restricted by law. Any eligible person may obtain a paper copy of this PDS by contacting the **Offer Information Line** on 1300 778 468 within Australia or +61(2) 9299 9621 outside Australia.

Persons who access the electronic version of this PDS should ensure that they download and read the entire PDS. If unsure about the completeness of this PDS received electronically, or a print out of it, you should contact the Offer Information Line.

Applications for Units under this PDS may only be made on either a printed copy of the Application Form attached to or accompanying this PDS or via the electronic Application Form attached to the electronic version of this PDS, available on the Offer website (www.perpetualincome.com.au). The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the PDS or the complete and unaltered electronic version of the PDS.

UPDATED INFORMATION

Information in this PDS may need to be updated from time to time. Any Updated Information that is considered not materially adverse to investors (**Updated Information**) will be made available on the Offer website (www.perpetualincome.com.au) and the Manager will provide a copy of the Updated Information, free of charge to any investor who requests a copy by contacting the Offer Information Line on 1300 778 468 within Australia or +61(2) 9299 9621 outside Australia.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

TRUST WEBSITE

Any references to documents included on the Trust, Responsible Entity or Manager's website are provided for convenience only, and none of the documents or other information on those websites is incorporated by reference into this PDS, except where the document or other information is Updated Information.

DATA, TIME AND CURRENCY

All data contained in charts, graphs and tables is based on information available as at the date of this PDS unless otherwise stated.

All references to time in this PDS refer to the local time in Sydney, Australia unless stated otherwise.

References in this PDS to currency are references to Australian dollars unless otherwise indicated.

Rounding of figures provided in this PDS may result in some discrepancies between the sum of components and the totals outlined within tables and percentage calculations.

FSC MEMBERSHIP

Perpetual Limited ACN 000 431 827 (**Perpetual**) is a member of the Financial Services Council (**FSC**). The standards of the FSC (**FSC Standards**) apply to relevant activities conducted by Perpetual as an FSC member, as well as certain other entities related to the FSC member, including the Responsible Entity. The Responsible Entity complies with FSC Standards including FSC Standard No. 1: Code of Ethics & Code of Conduct. However, it has appointed service providers to provide certain services in relation to the Trust, some of which may not be members of the FSC. Where a service provider is a member of the FSC, the Responsible Entity has taken reasonable steps to ensure that the service provider will comply with all FSC Standards in providing the services in relation to the Trust. Where a service provider is not a member of the FSC, prior to the appointment of the service provider, the Responsible Entity has undertaken all appropriate and reasonable due diligence, establishes and maintains compliance monitoring, and complies with all applicable laws in relation to the appointment. Accordingly, you may not receive the full benefit or protection of the FSC Standards in relation to any services which are delegated to or provided by a service provider.

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LETTER TO INVESTORS

DESIGNED TO BE A NEW WAY TO ACHIEVE SUSTAINABLE, REGULAR INCOME

Dear Investor,

We are pleased to invite you to become an investor in the Perpetual Credit Income Trust (the **Trust**) which will apply to be listed on the Australian Securities Exchange (the **ASX**) in May 2019. The Offer is open from 25 March 2019.

Since Perpetual was established in 1886, our goal has been to help investors protect and grow their wealth. In line with this enduring philosophy, we believe today many investors need additional, diversified sources of income. The Perpetual Credit Income Trust is a new way to meet those needs.

SUSTAINABLE, REGULAR INCOME

People approaching or in retirement may have the dual needs of:

- Income to cover life's expenses
- Capital preservation with low volatility.

Typical traditional sources of income include dividends, rent from investment properties, and interest on cash and term deposits. Achieving income goals can be challenging as Australia has been in a period of historically low interest rates and low growth, creating uncertainty for investors who rely on these sources of income.

OPTIMISE THE DEFENSIVE PART OF YOUR PORTFOLIO

We believe credit and fixed income investments should be the bedrock of an investor's defensive portfolio, as they provide a combination of capital stability, liquidity and regular income.

Perpetual's new Credit Income Trust will typically invest in a portfolio of 50 to 100 credit and fixed income assets diversified by asset type, credit quality, loan maturity, country and issuer. The Trust's flexible investment strategy means the portfolio manager can actively access this broad opportunity set to address changing market conditions. Due to Perpetual's size and market position the Trust can offer investors access to credit and fixed income assets not typically available to individual investors.

PERPETUAL'S EXPERIENCED INVESTMENT PROFESSIONALS

The Trust will be managed by one of Australia's leading investment managers, Perpetual Investments. Michael Korber, Head of Credit and Fixed Income will manage the portfolio with the support of a specialist team, who currently have over \$7.1 billion in funds under management in credit and fixed income, as at 31 December 2018. The senior portfolio managers of the Perpetual Credit and Fixed Income Team have been investing together at Perpetual for over a decade.

Perpetual Investments will fund all Establishment Costs, meaning the full amount raised will be available for investment by the Manager of the Trust.

If you have any questions, you should seek independent advice to determine if this investment is appropriate for you. Like all investments, there are a number of risks to investing in the Trust, and these are set out in section 7 of this PDS for you to read in full.

A WARM WELCOME TO CURRENT AND NEW INVESTORS

To Perpetual's existing shareholders and investors in the ASX-listed Perpetual Equity Investment Company Limited, we would like to invite you to invest via the Shareholder Priority Offers. Full details of the Shareholder Priority Offers are set out in section 5 of this PDS.

We look forward to welcoming you as an investor in the Perpetual Credit Income Trust.

Perpetual Investments

HIGHLIGHTS

- Target total return – RBA Cash Rate plus 3.25% p.a. (net of fees)
- Aims to provide monthly income payments
- Access to a defensive asset class that typically has low capital volatility
- A trust that will apply to be listed on the Australian Securities Exchange
- Access to credit and fixed income assets not typically available to individuals
- Managed by the experienced, proven and stable Perpetual Credit and Fixed Income Team

KEY OFFER DETAILS

THE OFFER

Trust	Perpetual Credit Income Trust
Proposed ASX Code	PCI
Subscription Price per Unit and Pro forma Net Tangible Assets (NTA) backing per Unit	\$1.10
Minimum number of Units available under the Offer	136,363,637 units
Minimum gross proceeds from the Offer	\$150 million
Maximum number of Units available under the Offer (before any acceptance of Oversubscriptions ¹)	363,636,363 units
Gross proceeds from the Offer based on the Maximum Subscription being raised (before any acceptance of Oversubscriptions ¹)	\$400 million
Maximum number of Units available under the Offer based on Maximum Subscription being received and all Oversubscriptions being accepted ¹	400,000,000 units
Gross proceeds from the Offer based on Maximum Subscription being received and all Oversubscriptions being accepted ¹	\$440 million

1 The Responsible Entity reserves the right to accept applications by way of Oversubscriptions under the offer to raise up to a further \$40 million.

IMPORTANT DATES

Lodgement of the PDS with ASIC	8 March 2019
Shareholder Priority Offer record date	18 March 2019
Offer opens (Opening Date)	25 March 2019
Offer closes (Closing Date)	18 April 2019
Settlement	7 May 2019
Expected date of the allotment of units (Allotment Date)	8 May 2019
Expected date for dispatch of holding statements	8 May 2019
Trading of Units commences on the ASX	14 May 2019
Target first distribution date	30 June 2019

The above timetable is indicative only. The Responsible Entity reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Responsible Entity reserves the right to close the Offer early, extend the Closing Date, withdraw the Offer or accept late Applications (generally or in particular cases) without notifying any recipients of this PDS or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

SECTION 1: OFFER SUMMARY

1.1 ABOUT THE TRUST

The following information is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this PDS, including the Industry Terms set out in section 1.3 of this PDS. This PDS should be read in full before making any decision to apply for Units.

QUESTION	ANSWER	FOR MORE INFORMATION
What is the Trust?	The Perpetual Credit Income Trust is a unit trust which has been registered as a managed investment scheme under the Corporations Act. The Responsible Entity will apply for the Trust to be admitted to the official list of the ASX as an investment entity.	Section 3
Who is the Responsible Entity of the Trust?	Perpetual Trust Services Limited.	Section 3.8
Who is the Manager of the Trust?	<p>The Responsible Entity has appointed Perpetual Investment Management Limited as the Manager of the Trust under the Investment Management Agreement (IMA).</p> <p>The Manager and the Responsible Entity are part of the Perpetual Group, which has been in operation for over 130 years. The Manager's services are offered through the Perpetual Group's fund management business, Perpetual Investments. Perpetual Investments is one of Australia's leading investment managers, with more than \$27.7 billion in funds under management as at 31 December 2018.</p> <p>By employing experienced investment professionals and applying a proven investment philosophy, the Perpetual Group has been able to help generations of Australians manage their wealth for over 50 years.</p>	Section 4 for details of the Manager and section 11.1 for details of the IMA
Who is the Portfolio Manager?	Michael Korber (Head of Credit and Fixed Income at Perpetual Investments) is the Manager's Portfolio Manager and is responsible for the investment decisions of the Trust.	Section 4.3
Who is the Investment Team?	The Perpetual Credit and Fixed Income Team (Investment Team) will support the Portfolio Manager.	Section 4.3
What is the Trust's Investment Objective?	To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.	Section 3.2
What is the target return of the Trust?	To target a return of RBA Cash Rate plus 3.25% per annum (net of fees) through the economic cycle. This is a target only and may not be achieved.	Section 3.2

QUESTION	ANSWER	FOR MORE INFORMATION
What is the Trust's Investment Strategy?	<p>The Trust will hold a diversified and actively managed portfolio of credit and fixed income assets. The strategy allows for a combination of domestic and global credit and fixed income assets. The Trust will diversify exposure and will have maximum exposure limits to issuers.</p> <p>The Trust can invest up to 100% of the Portfolio in investment grade assets with a minimum exposure to these assets of 30% of the Portfolio. The Trust can also invest up to 70% of the Portfolio in unrated or sub-investment grade assets. The Trust may obtain direct or indirect exposure to assets.</p> <p>The Trust can invest 70% to 100% of the Portfolio in assets denominated in Australian dollars and a maximum of 30% of the Portfolio in assets denominated in foreign currencies.</p> <p>Typical investments will include corporate bonds, floating rate notes, securitised assets and private debt (for example, corporate loans). Exposure to corporate loans may be gained indirectly through the Perpetual Loan Fund. The Trust's maximum exposure to the Perpetual Loan Fund is capped at 70% of the Portfolio.</p> <p>Derivatives may be used as part of the Trust's Investment Strategy. The Manager will typically hedge foreign currency exposures to the Australian dollar and may use derivatives to hedge interest rate risk and credit risk. Derivative positions may also be used to take advantage of market opportunities. Derivatives may result in leverage, there is a maximum leverage limit of 15% however borrowing for gearing purposes is not permitted.</p> <p>The Trust will typically be invested in 50 to 100 assets.</p>	Section 2.1 for explanations of asset types and section 3.3 for details of the Investment Strategy
What is the Perpetual Loan Fund?	<p>The Trust proposes to invest in the Perpetual Loan Fund to gain exposure to corporate loan assets. The Trust may also invest in corporate loans directly. The Perpetual Loan Fund is an open-ended registered managed investment scheme. Perpetual Investment Management Limited, the Manager of the Trust, is the responsible entity and manager of the Perpetual Loan Fund. Other funds managed by the Manager can also invest in the Perpetual Loan Fund.</p> <p>The Perpetual Loan Fund is expected to be illiquid on an ongoing basis. However, there may be liquidity events, for example, if there is a change in responsible entity of the Perpetual Loan Fund. Liquidity events would be offered to all investors in the Perpetual Loan Fund, including the Trust.</p> <p>Currently, no fees are charged nor are incurred expenses recovered by the responsible entity of the Perpetual Loan Fund. While there is currently no intention to, the responsible entity of the Perpetual Loan Fund is entitled to charge fees and recover expenses under the Perpetual Loan Fund constitution.</p>	Section 3.6
Why are units in the Perpetual Loan Fund being sold by Perpetual to the Trust?	<p>Perpetual Limited has agreed to subscribe for units in the Perpetual Loan Fund. After the issue of Units pursuant to the Offer, all of Perpetual Limited's units in the Perpetual Loan Fund will be sold to the Trust under a Unit Sale Agreement. This will allow the Manager to build the Trust's exposure to corporate loan assets sooner than would otherwise be the case. The terms of the Unit Sale Agreement between the Responsible Entity and Perpetual Limited are those that could reasonably be expected to be found if the parties were dealing at arm's length.</p> <p>The purchase price the Trust will pay to Perpetual Limited for the units in the Perpetual Loan Fund is the same price it would have paid if it had invested directly into the Perpetual Loan Fund on the same day.</p> <p>It is expected that the number of units in the Perpetual Loan Fund being sold to the Trust will not exceed a total investment of \$50 million.</p>	See section 11.2 and section 12.5 for further information about the Unit Sale Agreement

QUESTION	ANSWER	FOR MORE INFORMATION
What is the time frame to achieve target portfolio construction?	The time frame to achieve target portfolio construction will be up to three months of the Trust listing on the ASX.	Section 3.5
What are the key benefits of the Trust?	<p>The Offer provides investors with an opportunity to invest in an ASX listed investment trust which aims to provide investors with:</p> <ul style="list-style-type: none"> • Sustainable regular income, targeting a total return of the RBA Cash rate plus 3.25% per annum (net of fees) and intends to pay cash distributions monthly • Exposure to a dynamic credit and fixed income investment strategy with a strong focus on capital preservation • Access to a defensive asset class which typically has a track record of low capital volatility • Exposure to a portfolio of typically 50 - 100 credit and fixed income assets diversified by asset type, credit quality, maturities, countries and issuers • Access to a highly skilled and stable Credit and Fixed Income Team with a proven track record of active management and delivering superior risk adjusted returns • Security of a proven active and risk aware investment process founded on delivering predictable and repeatable returns while preserving capital • Access to the investment experience and expertise of Perpetual Investments • Perpetual Investments will fund all Establishment Costs, meaning the full amount raised will be available for investment. 	<p>Section 3.2</p> <p>Section 2 and section 3.3</p> <p>Section 2</p> <p>Section 3.3 and section 3.4</p> <p>Section 4</p> <p>Section 3.4 and section 4.4</p> <p>Section 4.3</p> <p>Section 9</p>
What are the key risks associated with the business model, Investment Strategy, the Units, and the Offer?	<p>Before making an investment decision, it is important to understand the risks that can affect the value of your investment.</p> <p>Some of the key risks in relation to an investment in the Trust are summarised below. Please refer to section 7 for a more comprehensive summary of potential risks.</p> <p>Key risks specific to an investment in the Trust include:</p> <p>ASX LIQUIDITY RISK</p> <p>The Trust does not offer a redemption facility so Investors will need to sell their Units on the ASX if they wish to withdraw their investment.</p> <p>The ability of an Investor to sell their Units on the ASX will depend on the turnover or liquidity of the Units at the time of sale. Therefore, investors may not be able to sell their Units at the time, in the volumes or at the price they desire.</p> <p>INVESTMENT RISK</p> <p>All investments are subject to risk which means the value of your investment may rise or fall and the level of income distributed may vary from month to month. The Units may also trade on the ASX at a discount to NTA per Unit for short or long periods of time.</p>	Section 7

QUESTION	ANSWER	FOR MORE INFORMATION
<p>What are the key risks associated with the business model, Investment Strategy, the Units, and the Offer? (Continued)</p>	<p>CREDIT RISK OR DEFAULT RISK</p> <p>Credit risk is the risk that a borrower or counterparty does not meet its payment obligations as they fall due. If the credit risk increases for a borrower, for example due to a deterioration in its financial position, the value of the debt instruments of the borrower may fall. There may be a number of reasons why a borrower's credit worthiness declines, such as business or specific sector issues, or general economic conditions deteriorating. In times of deteriorating economic or credit market conditions, lower quality credit instruments may be more volatile and price sensitive compared to higher quality credit instruments. Therefore, in times of challenging economic and market conditions, sub-investment grade credit instruments carry with them a greater default risk due to the corporate issuer's impaired ability to service interest and repay the principal as and when due.</p> <p>The taking of security or the provision of third-party guarantees may not fully mitigate the risk of credit loss.</p> <p>Given the rating of sub-investment grade and nature of un-rated assets, the Trust's investments in assets of this credit quality will expose it to a larger amount of credit risk in comparison to a fund that solely invests in investment grade credit assets.</p> <p>CREDIT MARGIN RISK</p> <p>Credit margin risk is the risk of a change in the value of an asset due to a change in credit margins. Longer term assets are generally more impacted by credit margin risk than short term assets. As credit margins increase (decrease), the security value may decrease (increase).</p> <p>INVESTMENT STRATEGY RISK</p> <p>The Trust's success and profitability is reliant upon the Manager's ability to devise and maintain an investment portfolio consistent with the Trust's Investment Objective, strategies, guidelines and permitted investments set out in this PDS. There is no guarantee that the Investment Strategy of the Trust will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust.</p> <p>RELATED PARTY/CONFLICT OF INTEREST RISK</p> <p>The Trust's business model assumes a number of ongoing related party arrangements between the Responsible Entity and the Manager both under the Investment Management Agreement and in relation to the Trust's investment in the Perpetual Loan Fund. The conflicts of interest involved need to be carefully managed to ensure that all relevant parties are acting in the best interests of Unitholders in the Trust.</p> <p>LEGAL AND REGULATORY RISK</p> <p>Changes in legislation and differences between rules (including interpretation of the law) in domestic and foreign markets, including those dealing with taxation, accounting, investments and the ASX, may adversely impact your investment.</p> <p>RISK OF LOSS OF PRINCIPAL</p> <p>All investing involves risk including the loss of principal. By making an investment in the Trust, an investor is putting their capital at risk, which may result in the loss of principal. An investment in the Trust is not the same as investing in a guaranteed annuity issued by an Australian Prudential Regulation Authority (APRA) regulated entity or an alternative capital guaranteed product.</p>	<p>Section 7</p>

QUESTION	ANSWER	FOR MORE INFORMATION
What are the key risks associated with the business model, Investment Strategy, the Units, and the Offer? (Continued)	<p>LEVERAGE RISK</p> <p>Leverage may magnify the gains and losses achieved by the Trust. Borrowing (or gearing) does not form part of the Trust's Investment Strategy, however, derivatives may result in leverage (with a maximum leverage limit of 15%).</p> <p>You should bear the above risks in mind when considering whether to participate in the Offer. You are strongly advised to consider any investment in the Trust as a long-term proposition (five years or more) and to be aware that, as with any investment, substantial fluctuations in the value of your investment may occur over that period and beyond.</p> <p>While it is impractical to identify every conceivable risk relevant to an investment in the Trust, the significant risks that might affect your investment are listed in more detail in section 7.</p>	Section 7
Will the Trust pay distributions?	The Responsible Entity intends to pay distributions to Investors monthly. Distributions are expected to match income (net of fees and expenses) generated by the Trust. Any taxable capital gains would generally be included in the June distribution of each year. The level of income distributed may vary from month to month. It is currently intended that the first distribution will be paid to Investors for the period ending 30 June 2019 and then monthly thereafter.	Section 3.9
Is there a Distribution Reinvestment Plan (DRP)?	The Responsible Entity intends to offer a Distribution Reinvestment Plan which will provide Investors the option to re-invest distributions. Details on any Distribution Reinvestment Plan will be provided to Investors following the commencement of trading on the ASX.	Section 3.9
What is the financial position of the Trust?	While the Trust is yet to commence trading, unaudited pro-forma financial statements setting out its anticipated financial position as at 8 March 2019 are set out in section 9.2.	Section 9.2
Will the Trust borrow?	It is not anticipated that the Trust will borrow for the purposes of making investments.	Section 3.3 and section 3.15
What related party transactions will occur?	<p>The Responsible Entity has entered into the Investment Management Agreement with the Manager and the Unit Sale Agreement with Perpetual Limited. The Responsible Entity may also, from time to time, invest in the Perpetual Loan Fund.</p> <p>The Manager is the responsible entity and investment manager of the Perpetual Loan Fund. The Manager also manages other Perpetual funds.</p> <p>The Responsible Entity and the Manager are both wholly owned subsidiaries of Perpetual Limited. The Perpetual Group has group policies and procedures aimed at identifying and appropriately managing any conflicts of interest that arise when related entities enter into transactions.</p> <p>The Investment Management Agreement and the Unit Sale Agreement have been entered into on arm's length terms.</p>	Section 12.5 for related party interests and 11.1 for the Investment Management Agreement, 11.2 for the Unit Sale Agreement
What are the Trust's material contracts?	<p>The Trust's material contracts are:</p> <ul style="list-style-type: none"> the Investment Management Agreement between the Responsible Entity and the Manager. the Unit Sale Agreement between Perpetual Limited and the Responsible Entity. the Offer Management Agreement between the Responsible Entity, the Manager and Joint Lead Managers (CommSec, Morgans and NAB) in relation to the Offer. 	Section 11

QUESTION	ANSWER	FOR MORE INFORMATION
What are the key terms of the IMA?	<p>The Manager is responsible for managing the Portfolio in accordance with the IMA and must act in the best interests of Unitholders in performing its duties.</p> <p>Under the IMA, the Manager is appointed for an initial term of 10 years, unless terminated earlier. The IMA will be automatically extended for a further term of 5 years, unless terminated earlier, at the end of the initial term or during the extended term.</p> <p>The Manager is entitled to a management fee equal to 0.72% p.a. of the daily value of the Portfolio (inclusive of the net effect of GST). The management fee will be calculated daily and paid monthly in arrears.</p> <p>Except where the IMA is terminated by the Responsible Entity for cause or by the Manager for convenience, the Manager is entitled to the termination payment set out in section 11.1.</p> <p>The Manager can ask the Responsible Entity to retire as responsible entity of the Trust. The Responsible Entity will retire as soon as reasonably practicable, if it considers it appropriate in accordance with its duties.</p>	Section 11.1
Who is the Custodian and what is its role?	<p>RBC Investor Services Trust will be appointed as the Custodian.</p> <p>The Custodian will hold the assets of the Trust in accordance with the terms of a Custodian Agreement. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting the Trust's interests.</p>	Section 3.11
What will be the Trust's valuation policy?	The Responsible Entity, on behalf of the Trust, has a Unit Pricing and Valuation Policy. For more information on this policy, please refer to section 3.10.	Section 3.10
What information will be provided to Investors after listing on the ASX?	The NTA per Unit is expected to be published on the Trust's website (www.perpetualincome.com.au) and lodged with the ASX daily. The Manager also expects to publish on the Trust's website and lodge with the ASX a monthly performance update and semi-annual and annual reports.	Section 3.17
What are the fees and costs of the Trust?	<p>Estimated management cost: 0.88% per annum of the Net Tangible Assets</p> <p>The estimated management cost is comprised of:</p> <p>Management Fee: 0.72% of the Net Tangible Assets per annum.</p> <p>Responsible Entity Fee: 0.03% to 0.05% of the Net Tangible Assets depending on the amount raised under the Offer.</p> <p>Recoverable expenses: Expected to be 0.11% of the Net Tangible Assets as at the date of the PDS.</p> <p>Indirect costs: 0% of the Net Tangible Assets.</p> <p>All fees and costs are inclusive of the net effect of GST, unless otherwise stated.</p> <p>Further information on additional costs or fees borne as well as expected total fees and costs can be found in section 6.</p>	Section 6

1.2 THE OFFER

QUESTION	ANSWER	FOR MORE INFORMATION
Who is the issuer of the Units under the Offer?	The Responsible Entity.	Section 5.1
What is the Offer?	The Responsible Entity is offering Units for subscription to raise a minimum of \$150 million and up to \$400 million. The Responsible Entity reserves the right to accept Oversubscriptions under the Offer to raise up to a further \$40 million.	Section 5.1
Who are the Lead Joint Arrangers and Joint Lead Managers to the Offer?	CommSec, Morgans and NAB.	Section 11.3
Who are the Co-Managers to the Offer?	Bell Potter Securities Limited, Ord Minnett Limited and Shaw and Partners Limited.	Section 11.3
What is the expected Net Tangible Assets (NTA) per Unit of the Trust on the Allotment Date?	The expected NTA per Unit on the Allotment Date is \$1.10. The expected NTA per Unit is equal to the Subscription Price as Establishment Costs will be paid by the Manager at the time of the initial public offering.	Section 9.4
Who can participate in the Offer?	Investors who have a registered address in Australia or New Zealand can participate in the General Offer. The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. The Perpetual Limited Shareholder Priority Offer is open to Perpetual shareholders who have a registered address in Australia or New Zealand as at 18 March 2019. The Perpetual Equity Investment Company Limited Shareholder Priority Offer is open to Perpetual Equity Investment Company Limited shareholders who have a registered address in Australia or New Zealand as at 18 March 2019. The Cornerstone Offer is open to investors who have been invited by the Manager to participate in the Offer (Cornerstone Investors).	Section 5.1
How do I apply for Units under the Offer?	This depends on which of the above Offers you are applying under, as each will have its own particular Application Form. However, in each case a completed Application Form, and the relevant Application Amount, will need to be provided.	Section 5.2
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay a Subscription Price of \$1.10 per Unit.	Section 5.1
Is there a Minimum Subscription amount for the Offer to proceed?	Yes, the Minimum Subscription amount for the Offer to proceed is \$150 million.	Section 5.1
Is there a minimum subscription amount for each Application?	Yes. Each Applicant must subscribe for a minimum of 2,000 Units, therefore the minimum application amount is \$2,200.00. Applications in excess of the minimum number of Units must be in multiples of 500 Units (or amounts of \$550.00).	Section 5.4

QUESTION	ANSWER				FOR MORE INFORMATION
What will the capital structure of the Trust be following completion of the Offer?	On completion of the Offer the capital structure of the Trust will be set out as below:				Section 9.4
		Minimum Subscription (\$150 million)	Maximum Subscription (\$400 million)	Maximum Subscription including Oversubscriptions (\$440 million)	
	Units	136,363,637	363,636,363	400,000,000	
	NTA per Unit	\$1.10	\$1.10	\$1.10	
Is there a cooling off period?	No.				Important Notices
How can I obtain further information in relation to the Offer?	If you would like more information or have any questions relating to the Offer, you can contact the Offer Information Line on 1300 778 468 between 8:30am and 7:00pm Monday to Friday Sydney time. If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.				Section 5.2

1.3 INDUSTRY TERMS

TERM	DESCRIPTION
Capital volatility	Fluctuations in the value of an individual investment or investment portfolio.
Correlation	Correlation describes the relationship between two variables. High correlation in the context of investment assets means that the value of the assets tends to vary in a similar manner, for example, both assets rising or falling in value at the same time. Negative correlation means that the value of assets tends to vary in an opposite manner, for example, as one asset rises in value the other falls at the same time.
Duration	Duration is stated in years and is the measure of the sensitivity of value to a change in interest rates. The further the duration is from zero, the higher the sensitivity to a change in interest rates.
Economic cycle	The economic cycle refers to the general fluctuations in which the economy moves from periods of expansion to contraction.
Investment grade asset	An investment grade asset has a long term rating of BBB-/Baa3 to AAA/Aaa. The investment grade ratings of short term assets (e.g. cash) range from A-2/P-3 to A-1/P-1.
Leverage	The use of uncovered derivatives may result in total exposure of the Portfolio to exceed 100%. This is referred to as leverage. An uncovered derivative position can occur when a long position is not covered by cash or when a short position is not covered by the assets of the Trust.
Sub-investment grade asset	A sub-investment grade asset has a rating below BBB-/Baa3 and includes unrated assets.

SECTION 2: MARKET OVERVIEW

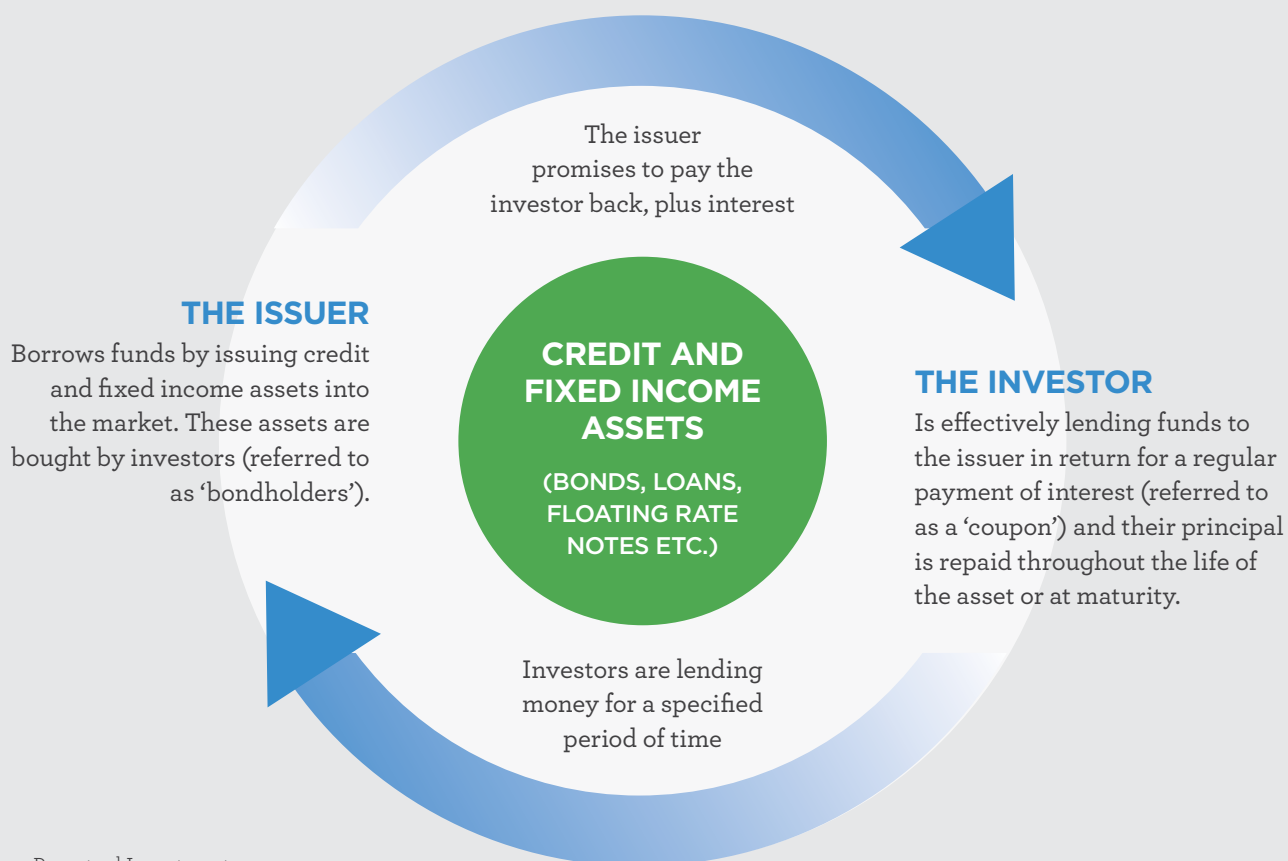
The information in this section 2 should also be read in conjunction with the Industry Terms set out in section 1.3 of this PDS.

2.1 THE FIXED INCOME MARKET

A fixed income asset is a type of asset which may pay regular income in the form of coupons or interest payments. A fixed income asset is generally a debt asset. A fixed income investor agrees to purchase a fixed income asset from an issuer in exchange for

interest payments or coupons and principal (the initial amount borrowed) repayments overtime or at maturity. The investor acts as a lender and the issuer acts as a borrower. There are three main types of issuers – governments, semi-governments and corporations.

Figure 1: Interaction between the issuer and investor



Source: Perpetual Investments.

Fixed income assets can have a combination of the following features:

- Fixed income assets can be **secured** or **unsecured**. Secured means there is some form of security backing an asset. For example, a home loan is secured against the home through a mortgage. Unsecured means there is no security backing the asset.
- The interest payments on fixed income assets can be based on either a **fixed** or **floating** rate. A fixed rate means the interest rate of the asset is set at a certain level and the dollar value of the interest payment will be the same every period. Floating rate assets have a variable interest rate. That is, the interest rate may change, usually in line with a market indicator rate such as the Bank Bill Swap Rate. The interest payment on a floating rate asset will typically move up or down as market interest rates move up or down.
- Rated vs Unrated: Fixed income assets can be **rated**, by a ratings agency such as Moody's or Standard & Poor's, or **unrated**. Credit ratings reflect a rating agency's opinion about credit risk. That is, the ability and willingness of an issuer to meet its financial obligations on time and in full. Ratings agencies usually assign a rating applying to the issuer, as well as a specific rating for each debt asset issued for which a rating has been requested. The issuer rating may be different from the debt asset rating(s) depending on its ranking in the capital structure or terms of the debt asset. Ratings only look at credit risk, not other forms of risk, and often take time to update when a credit event happens. Ratings range from D to Aaa or D to AAA, depending on the ratings agency, with Aaa/AAA being the highest rating. Fixed income assets do not have to be rated by a ratings agency. Assets without a rating are classified as unrated.
- Rated assets are further classified as **investment grade** or **sub-investment grade**. An investment grade asset has a rating of BBB-/Baa3 to AAA/Aaa. A sub-investment grade asset has a rating below BBB-/Baa3.

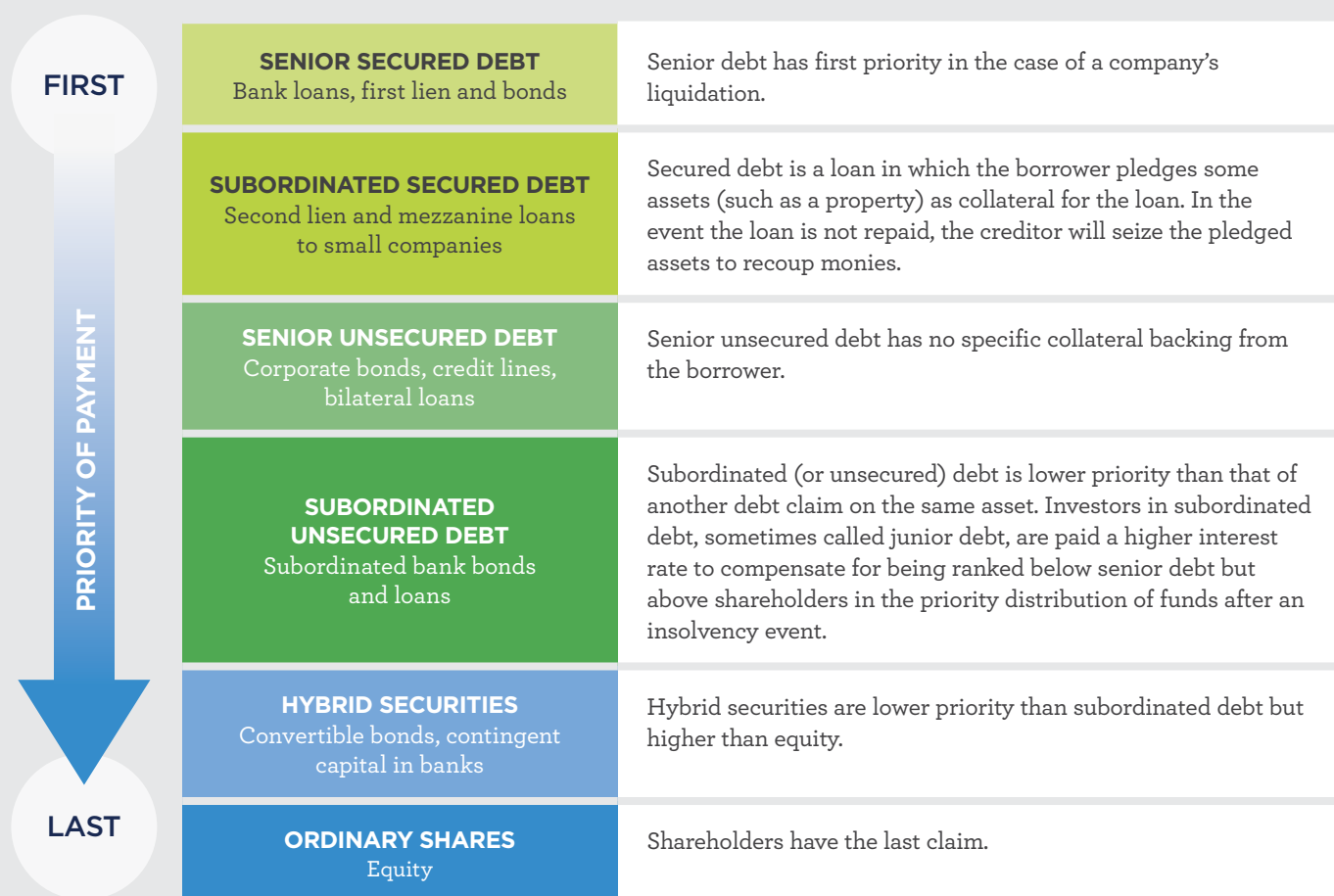
Investments in fixed income assets generally have a lower risk than investments in shares or hybrid securities of a company because of where they rank in the typical capital structure of companies. Figure 2 on the next page shows how investors in debt assets will (in the event of a winding up of a company) typically have priority of payment over investors in hybrid securities or shares.

In other words, where a company is to be wound up, investors in fixed income assets (such as secured or unsecured debt) typically rank higher in priority, and should have their invested capital returned to them before capital is returned to investors in hybrid securities or shares. Each company will have its own capital structure which may differ from the typical capital structure shown in Figure 2 on the next page.

Perpetual considers the credit market to be a sub-section of the fixed income market. The credit market includes all non-government fixed income assets such as the following:

- **Corporate bonds** are debt assets that are issued by corporations and have a fixed interest rate. Corporate bonds are an alternative source of borrowing for corporations to bank debt.
- **Floating rate notes (FRN)** are debt assets with a floating or variable interest rate.
- **Securitised Assets** are created through a process known as securitisation. Securitisation is the process of combining multiple debt assets into one financial instrument. An example is a residential mortgage backed security (RMBS) where multiple residential mortgages are combined into a single RMBS and the underlying asset is the residential mortgages or home loans. Investors pool their money together to invest in an RMBS, with the home loan interest and principal repayments proportionally distributed to investors in order of the ranking of these assets. An asset backed security (ABS) is similar to a RMBS but the underlying assets are a pool of non-mortgage assets such as leases, company receivables or royalties. An ABS is secured against an asset rather than a mortgage.
- **Private debt**, such as a corporate loan, is a private contract between the borrower (often a business) and a lender or group of lenders known as a syndicate. Private debt is an alternative source of borrowing for corporations to corporate bonds.
- **Cash** includes cash on hand, term deposits and cash equivalents.

Figure 2: The typical capital structure of a company



Source: Perpetual Investments.

2.2 SOURCES OF INCOME

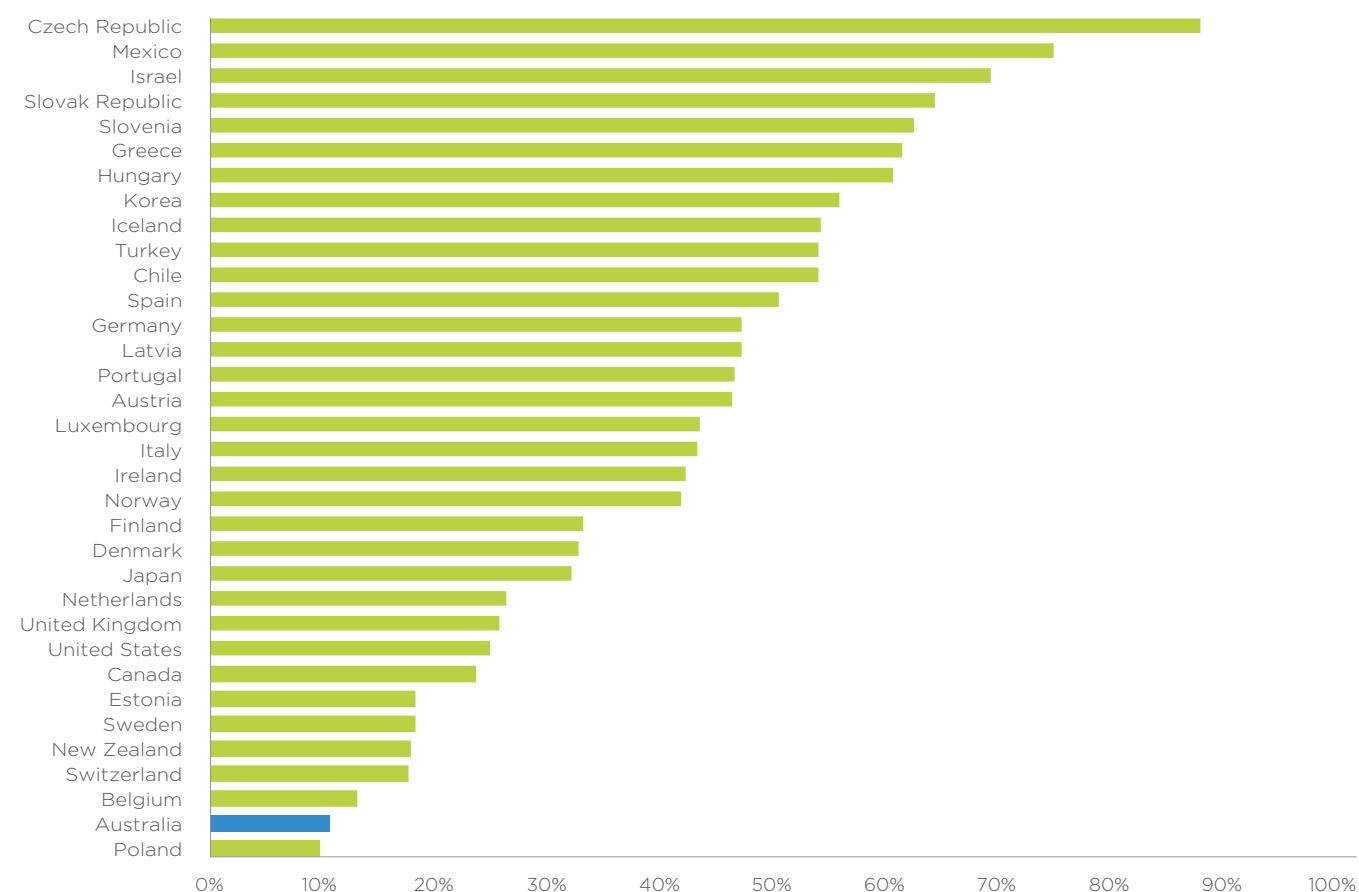
Many investors have a need for income but often only utilise a limited number of sources of income to meet that need. The overall ageing of Australia's population has resulted in a growing demand for income producing investments as retirees focus on meeting expenses and preserving capital. Across Australia, investment income is becoming an increasingly important part of an investor's portfolio.

Typical traditional sources of income include dividends, rent from investment properties, and interest on cash and term deposits. Australia has been in a period of historically low interest rates and low growth, creating uncertainty for investors who rely on these sources of income. An alternative source of income includes fixed income assets such as corporate bonds, floating rate notes, securitised assets and private debt.

Fixed income assets should therefore appeal as a higher income producing alternative to cash and term deposits. They have the additional advantage of being less risky than shares or listed property because, as debt assets, they sit higher in the capital structure than equity assets (see section 2.1).

Despite the growing need for income and wealth preservation there is still a gap in investors' portfolios as Australian investors have one of the lowest allocations to fixed income assets in the Organisation for Economic Co-operation and Development (OECD) (see Figure 3).

Figure 3: Allocation of fixed income assets in investment portfolios of investors in OECD countries



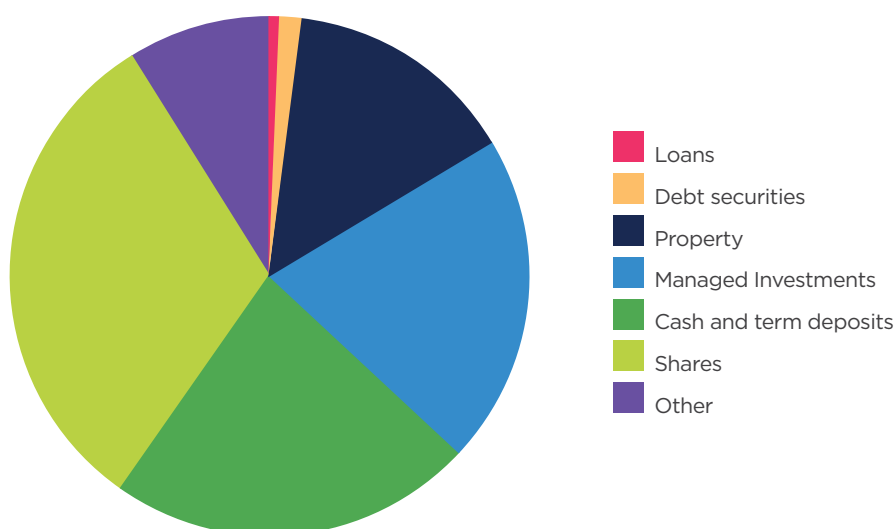
Source: OECD Pension Markets in Focus No. 15, 2018.

Even with the multitude of investment options available, Australian investors have historically looked to three main underlying sources to generate income – Australian shares, cash or term deposits and property.

Figure 4 below shows how self managed super fund (SMSF) investors have investment portfolios heavily weighted towards shares, property, cash and term deposits.

Figure 4: ATO estimates of direct assets held in SMSFs

Total Asset Allocation in SMSFs



Source: ATO self managed super fund quarterly statistical report – September 2018.

This lack of diversification may have negative consequences for investors as property and shares can be highly correlated with each other and with the economic cycle. High correlation in the context of investment assets means that the value of the assets tends to vary in a similar manner, for example, both assets rising or falling in value at the same time. The economic cycle refers to the general fluctuations in which the economy moves from periods of expansion to recession.

Fixed income assets can complement a portfolio by providing a reliable income stream with generally low correlation to shares, property and cash. While fixed income assets are generally a lower risk option than shares and listed property, they are typically higher risk than cash.

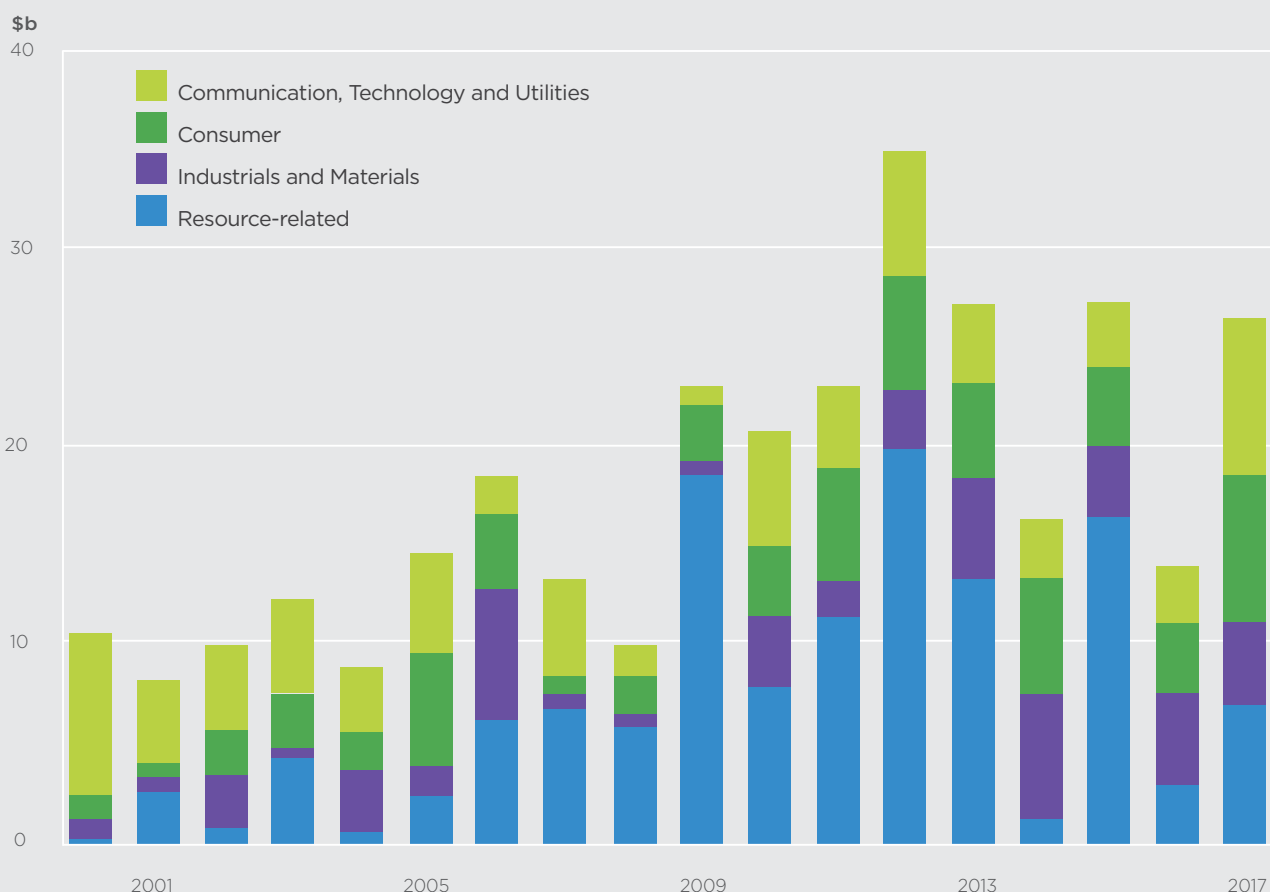
2.3 DIVERSITY OF THE FIXED INCOME MARKET

The Australian fixed income market is a mature and diverse market. Just as the Australian share market has hundreds of companies which operate in different

industries that issue shares, the Australian fixed income market comprises a large range of companies, from different countries and across different industries, issuing fixed income assets. For example, Figure 5 below provides a breakdown of the types of companies that may issue corporate bonds.

Generally, individual investors may find it difficult to create a diversified portfolio of fixed income assets because certain fixed income assets are typically issued into wholesale or institutional markets. Ensuring a portfolio has exposure to different countries, industries, asset types, ratings and issuers can require large amounts of money and market expertise. For example, some fixed income assets can be easily purchased on an exchange such as the ASX but others, such as private debt or corporate loans, are only offered privately to a small group of investors. Corporate loans are also an example of a type of asset which can provide a higher yield than other fixed income assets but requires a large minimum investment, typically \$5 million, and are generally not available to individual investors.

Figure 5: Corporate bond issuance by category



Source: RBA, Australian Fixed Income Securities in a Low Rate World (14 March 2018).

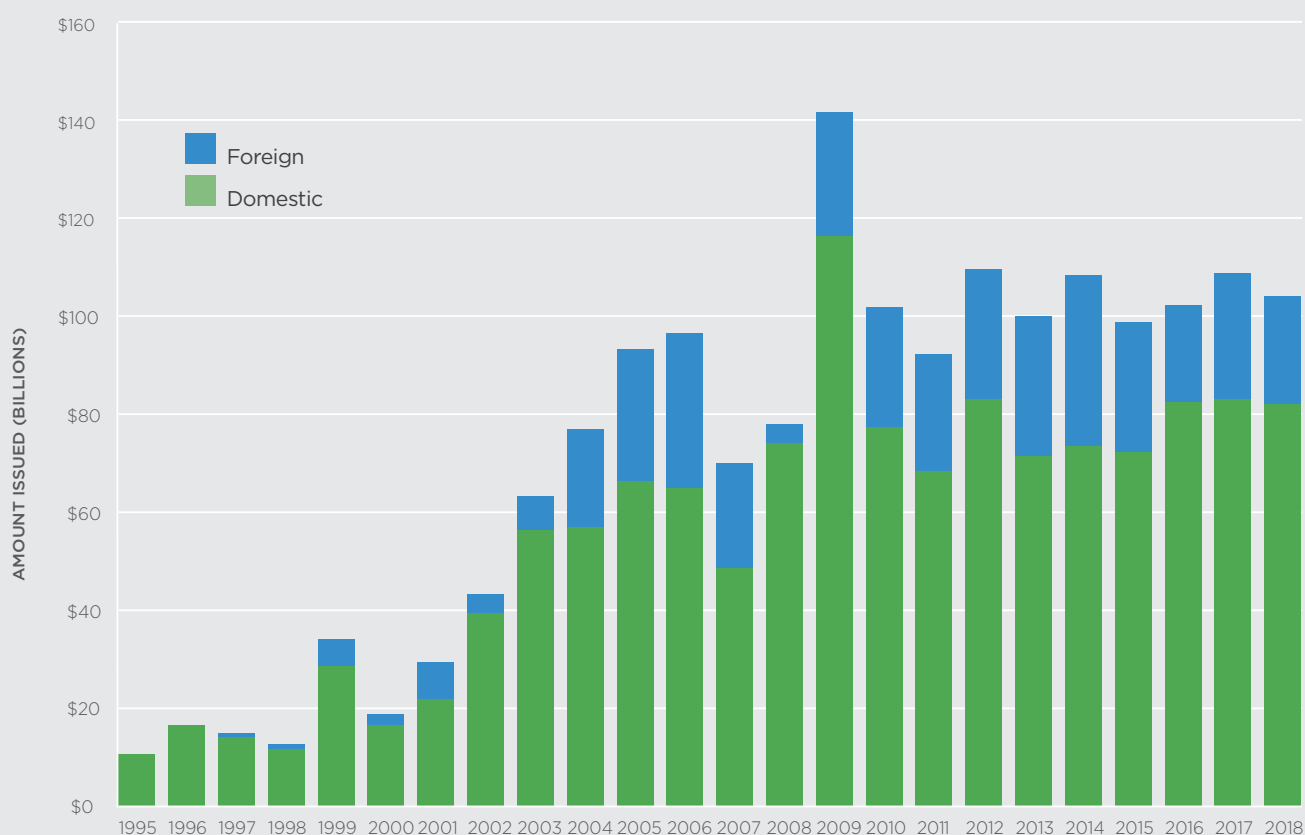
2.4 GROWTH IN THE CREDIT MARKET

The Australian non-government debt market, otherwise known as the credit market, has grown eight fold in the past 25 years to December 2018. In this time the market has grown from about \$0.4 trillion to almost \$3 trillion in size.

The number and amount of debt assets on issue in Australia has been growing from both domestic and foreign issuers (see Figure 6). Corporate bonds now represent approximately one third of the total Australian debt market. For investors, this means the corporate bond market in Australia is increasing in scale, diversity and liquidity.

Institutional investors, such as Perpetual Investments, can now access the private debt market which had historically been the preserve of the banking sector until the mid-2000s. This is a natural evolution of the Australian credit market and follows US and European credit market trends.

Figure 6: Credit issuance in Australia by domestic and foreign issuers



Source: Perpetual Investments, using data sourced from Bloomberg as at 31 December 2018.

SECTION 3: ABOUT THE TRUST

The information in this section 3 should also be read in conjunction with the Industry Terms set out in section 1.3 of this PDS.

3.1 OVERVIEW

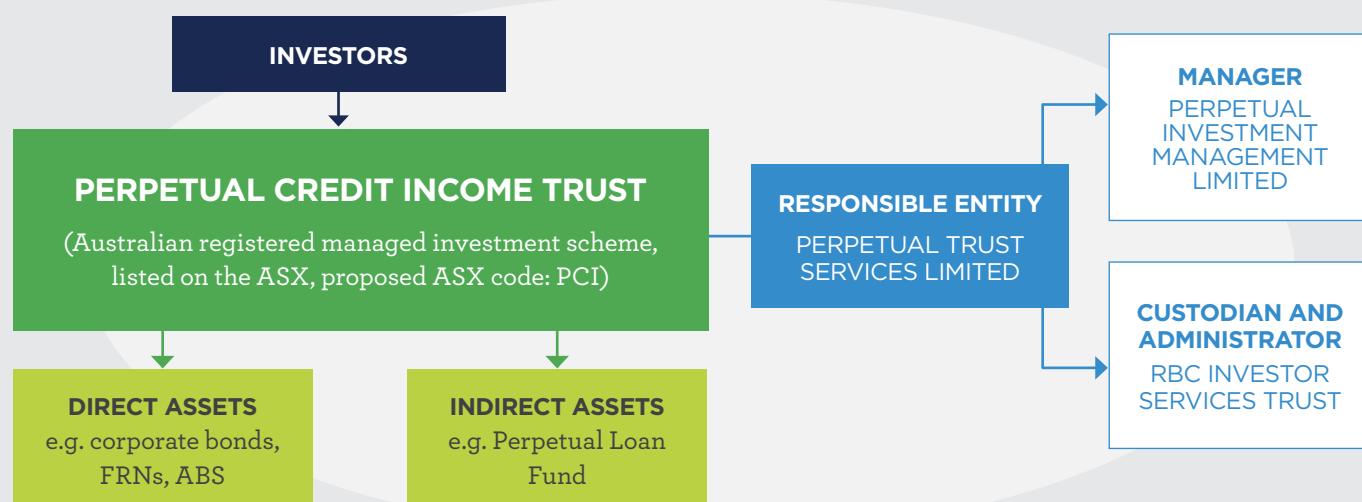
The Perpetual Credit Income Trust will offer Australian and New Zealand investors a new way to access what is expected to be an attractive, sustainable and reliable monthly income stream through a diversified exposure to domestic and global credit and fixed income assets. The Trust is an unique opportunity to invest with one of Australia's leading active credit fund managers.

Perpetual Trust Services Limited is the Responsible Entity of the Trust. The Responsible Entity has appointed Perpetual Investment Management Limited as the Manager of the Trust. The Trust is a registered managed investment scheme under Chapter 5C of the Corporations Act. The Trust has been newly formed specifically for the purposes of the Offer. The registration date of the Trust with ASIC is 22 May 2018. Following completion of the Offer, it is proposed that the Trust will be listed on the ASX, as a listed investment trust (ticker ASX:PCI).

The Trust can hold domestic and global credit and fixed income assets directly or indirectly, including through its investment in the Perpetual Loan Fund. Direct assets are those which the Trust holds directly (that is, in its own name), and indirect assets are those which the Trust holds and which gives the Trust exposure to an underlying asset without having ownership of the underlying asset (for example, interests in another managed investment scheme such as the Perpetual Loan Fund).

The Trust proposes to invest in the Perpetual Loan Fund to gain exposure to corporate loan investments. The Perpetual Loan Fund is an open-ended registered managed investment scheme that is available for other Perpetual Investments funds (including the Trust) to apply for units as well. Perpetual Investment Management Limited is the responsible entity and manager of the Perpetual Loan Fund.

Figure 7: Structure of the Trust



3.2 INVESTMENT OBJECTIVE AND TARGET RETURN

The Investment Objective of the Trust is to provide investors with monthly income by investing in a diversified pool of credit and fixed income assets.

The Trust has a target total return of RBA Cash Rate plus 3.25% per annum (net of fees) through the economic cycle. This is a target only and may not be achieved.

3.3 INVESTMENT STRATEGY

The Trust can invest 30%-100% of the Portfolio in investment grade assets with an issuer limit of 15% of the Portfolio. The Trust can also invest 0-70% of the Portfolio in sub-investment grade or unrated assets with an issuer limit of 10% of the Portfolio. The Trust can invest 70% to 100% of the Portfolio in assets denominated in Australian dollars and a maximum of 30% of the Portfolio in assets denominated in foreign currencies. The priority is to construct a well-diversified Portfolio and the Trust will typically hold 50-100 assets. The Trust may obtain exposure to unrated assets directly or through an investment in the Perpetual Loan Fund, which invests in a pool of corporate loans. The Trust's maximum exposure to the Perpetual Loan Fund is capped at 70% of the Portfolio. The Trust can invest in both secured and unsecured assets. These broad investment ranges allow for flexibility throughout economic cycles and the active management process of the Investment Team. Exposure gained through indirect investments (for example, the Perpetual Loan Fund) will be calculated on a look-through basis, that is exposure calculated on the assets of underlying funds.

The types of assets the Trust can invest in include, but are not limited to:

- Cash deposits, money market or fixed income assets (including all debt or debt-like assets, securitised and structured credit)
- Loans and receivables, and
- Equity arising from debt instruments.

The Manager will generally invest in assets from issuers domiciled in developed countries¹. Foreign currency exposure will typically be in developed market currencies.

Derivatives may be used as part of the Trust's investment strategy. The Manager will typically hedge foreign currency exposures to the Australian dollar and may use derivatives to hedge interest rate risk and credit risk. Derivative positions may also be used to take advantage of market opportunities. Derivatives may result in leverage, there is a maximum leverage limit of 15% however, borrowing for gearing purposes is not permitted.

3.4 INVESTMENT PHILOSOPHY AND PROCESS

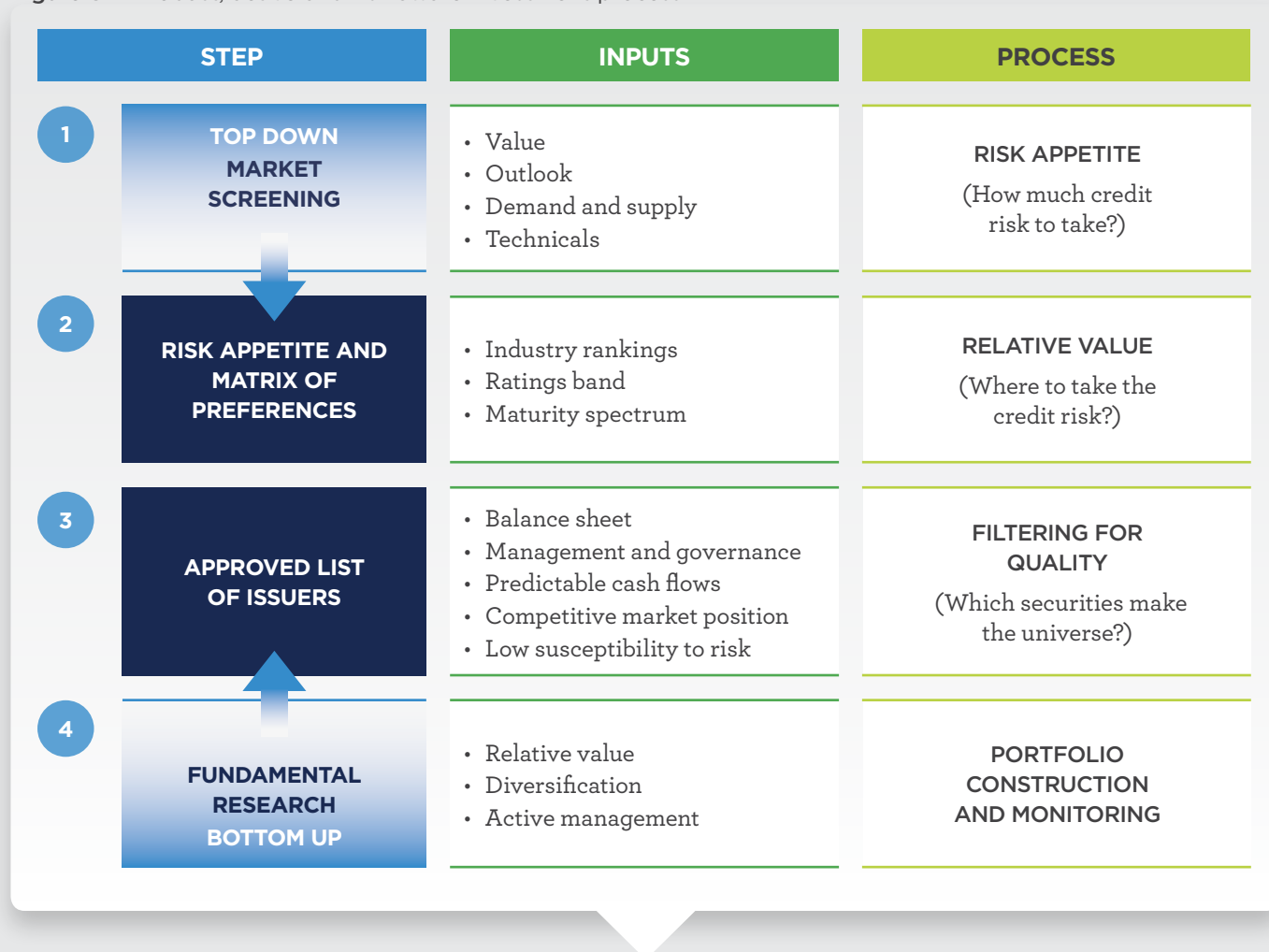
The Manager believes the key to investing in credit and fixed income assets is constructing, and actively managing, a well-diversified portfolio of quality assets.

The Manager has extensive experience managing risk in credit and fixed income assets. This is based on a number of key principles which aim to deliver the most attractive risk and return outcomes for investors:

- Invest across the whole credit universe, to select the most attractive credit opportunities at any point in time
- Undertake in-depth credit research to identify quality
- Invest with high conviction
- Identify the best relative value opportunities
- Price liquidity appropriately
- Construct a well diversified portfolio
- Actively manage across asset types, sectors, ratings, maturities, markets, issuers and the capital structure
- Be risk aware not risk averse. It is imperative to understand and price risks, investing in opportunities where risk is best rewarded.

1 Countries identified as 'developed countries' by the MSCI World Index of Developed Markets, OECD or other sources.

Figure 8: A robust, active and risk aware investment process



PERPETUAL CREDIT INCOME TRUST

Source: Perpetual Investments.

Investment Process

The Manager's investment process combines a proven top down credit scoring process with extensive bottom up fundamental research and active asset selection. This process seeks to maximise returns from the Trust's broad investment universe while seeking to maintain capital stability.

Top-Down Market Screening

The aim of the top-down market screening process is to identify how much exposure to credit risk the Manager is willing to take. Screening is implemented by the Investment Team completing a proprietary credit scoring process and sub-sector relative value analysis.

Credit Scoring Process

The proprietary credit scoring process helps to determine the Investment Team's appetite for risk by assessing the factors that are likely to cause changes in the outlook of credit markets. This includes the likelihood of a change in the risk outlook and direction of credit spreads.

The credit scoring process analyses fundamentals and market conditions to generate an outlook score. The process considers inputs under four broad headings: Value, Outlook, Demand and Supply, and Technicals.

Figure 9: The credit scoring process

VALUE	OUTLOOK	DEMAND & SUPPLY	TECHNICALS
Absolute valuation	Trigger variables	Market demand	Positioning
Relative value	Macro economic outlook	New issuance	Equities, credit and volatility

Figure 10 below shows the results of the Investment Team's credit scoring process (i.e. the credit score) compared to the Markit iTraxx Australia Index (a proxy for the performance of the credit market). The process seeks to identify and quantify what is likely to influence the absolute value of credit and how the risks and valuations in credit markets are likely to change in the short to medium term.

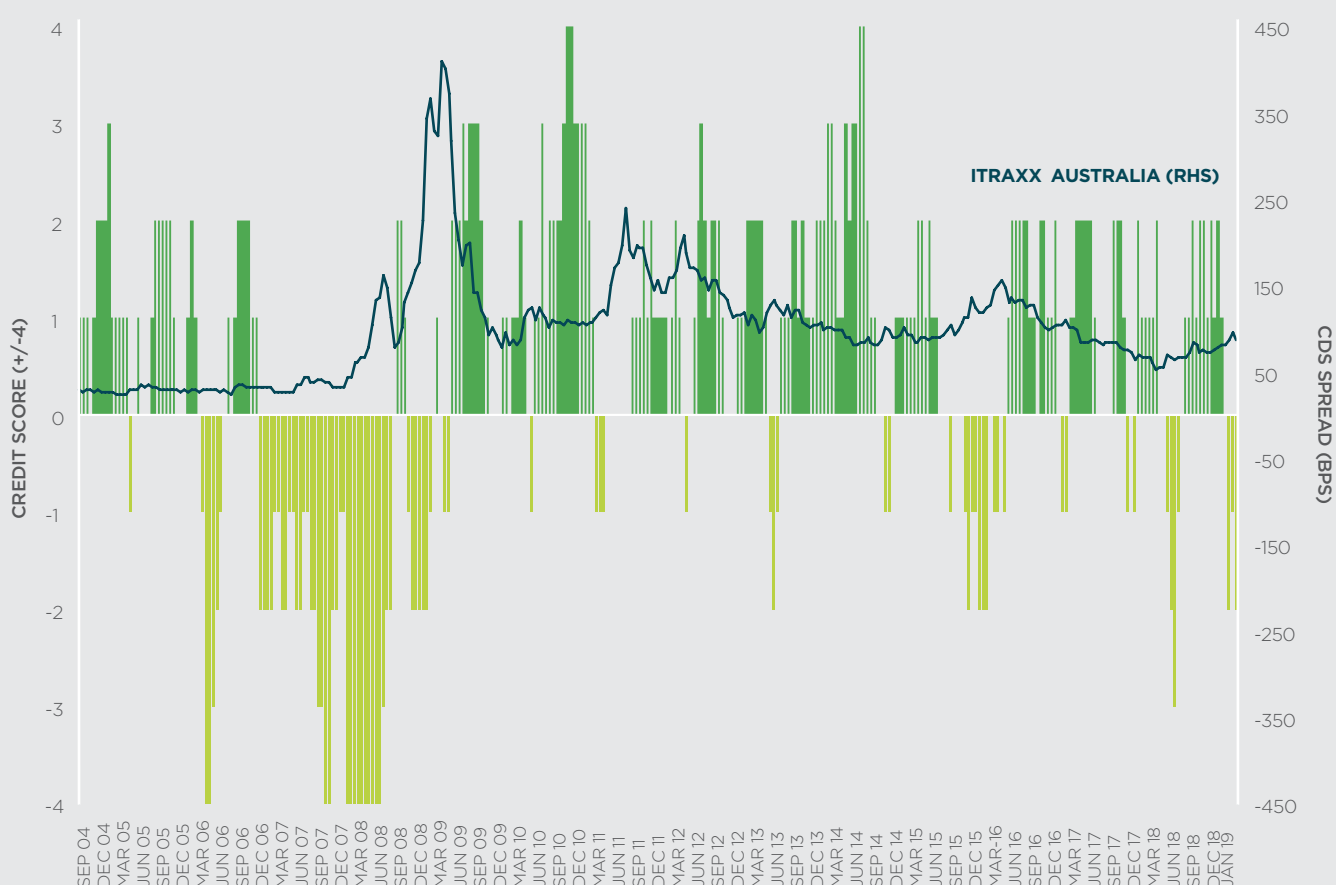
The credit score typically ranges from -4 to +4. The score will have a direct impact on how the Investment Team will actively position the Portfolio to take advantage of expected changes in margins, that is:

- Increasing credit exposure when margins are likely to contract and
- Decreasing credit exposure when margins are expected to expand.

Relative Value: Where to take the credit risk?

The relative value analysis is conducted in order to determine where there is good investment value and highlight where there are excessive risks. The analysis is completed across three main risk segments – industry sectors, maturities and rating bands – to determine the most attractive segments of the market. In determining relative value it is also important to price liquidity appropriately. This is particularly relevant to sub-investment grade and unrated assets. The Investment Team's relative value process seeks to ensure adequate compensation is provided for assets which may be less liquid.

Figure 10: Perpetual Investments Credit and Fixed Income Team's credit score versus the Markit iTraxx Australia Index*



Source: Perpetual Investments, using data sourced from Bloomberg as at 31 January 2019. *The Markit iTraxx Australia Index tracks twenty-five of the most liquid Australian entities with investment grade credit ratings (as published by Markit).

Figure 11: Where to take credit risk

RATINGS BAND	MATURITY BUCKET	INDUSTRY GROUP
<ul style="list-style-type: none"> Investment Grade AAA, AA, A and BBB. Short end, Mid curve and Long end. 	<ul style="list-style-type: none"> Bond swap, swap curve pick up, swap curve steepness and credit curve. Preferred exposures, margin and score. 	<ul style="list-style-type: none"> Relative value. Sector outlook. Industry ranking bands: <ul style="list-style-type: none"> 1: Most preferred. 4: Least preferred.

Bottom-up Fundamental Research

The aim of completing fundamental research is for the Investment Team to screen issuers for credit quality to determine approved issuers for potential investment. Given the risk implicit in credit, the Investment Team are conscious of the need to avoid risks that would impact the creditworthiness of assets. The Manager uses a formal credit review process to identify issuers of sufficient quality to be considered for inclusion in the Portfolio.

Filtering for Quality

The credit review process encompasses the Investment Team's proprietary research and is complemented with external inputs to ensure robust analysis.

The proprietary research incorporates the Investment Team's, and individual analyst's, views and research and includes the impact of any issuer or investor updates. The research aims to identify downside risk. An advantage for the Investment Team is the access to Perpetual's highly regarded Equities Analysts to complement and provide any further insight on common issuers.

Where appropriate, our internal research is complemented with external inputs such as CreditSights, Bloomberg, Capital IQ, Moody's and research from brokers.

The fundamental research process is designed to identify issuers and assets of sufficient quality. For example the Investment Team looks for corporate issuers who have:

- A good balance sheet
- Predictable cash flows
- Hold a competitive market position
- Have a quality, capable management and governance structure, and
- Have low susceptibility to the potential impact of regulatory changes, political risk, litigation risk and other types of event risk.

Our research seeks to screen out issuers with poor credit quality or susceptibility to downside shock.

Sub-investment grade and unrated assets

The Trust is able to invest in sub-investment grade and unrated assets, such as loans, corporate bonds and asset backed securities, to a maximum of 70% of the Portfolio. Unrated assets can be a valuable source of income and differentiation for the strategy.

The due-diligence process for these assets is more intensive and may require a number of meetings with arrangers and borrowers. Our approach for each investment is to undertake extensive, fundamental and robust research to screen issuers for acceptable credit quality:

- Capital structure review,
- In-depth financial analysis and modelling,
- Understanding of market position and sector trends,
- Valuation of business (including distressed valuation),
- Board and management review, and
- Legal documentation review.

Anne Moal is the Senior High Yield Analyst in the Investment Team and is primarily responsible for sourcing and assessing investments in the sub-investment grade and unrated space. Anne has had extensive experience trading in distressed debt in Australia in the early 2000s and has also been involved in local high yield debt markets. Anne provides a depth of knowledge and experience in sectors, industries, structures and liquidity in the domestic sub-investment grade and unrated space.

The Investment Team monitors exposures to sub-investment grade and unrated assets closely. Financial information is reviewed regularly to provide ongoing analysis of each sub-investment grade or unrated asset.

The Investment Team has extensive experience in managing default risk. When considering making an investment in sub-investment grade or unrated assets, the Investment Team may look to enhance the structural position of the investment by accessing the safest part of the capital structure, such as a senior secured instrument (typical of a leveraged loan).

Leverage

The Trust can take derivative positions which may result in leverage of up to 15%. Derivative strategies are based on the Investment Team's credit scoring process and are biased towards taking positions in credit derivative indices.

Active interest rate management

The Investment Team aims to build a portfolio in which overall interest rate exposure is floating. However, the Manager may take tactical active interest rate positions aiming to add value by tilting portfolio exposure to interest rate risk when the Investment Team's processes suggest the bond market is mispriced relative to fundamentals. These positions are limited to +/- one year of duration.

Active Management Approach

The Trust's active management approach aims to deliver a portfolio diversified across asset types, sectors, ratings, maturities, markets, issuers and capital structure. This means that investments held by the Trust will be continually assessed, and actively traded, in favour of credit and fixed income assets that will help deliver the most attractive risk-return outcomes for Investors.

The Investment Team's thorough investment process and approach to active asset management means the Investment Team won't invest in an asset unless they have high conviction.

Figure 12: Diversification across asset type, credit quality, maturities, countries and issuers

ASSET TYPE	CREDIT QUALITY	COUNTRY/ISSUER
Corporate Bonds Private Loans Asset Backed Securities Hybrid Securities Convertibles Diversified across credit and fixed income asset types	Investment Grade core High conviction allocation to: <ul style="list-style-type: none"> • High Yield securities, and • Private Loans Diversified across ratings and the capital structure	Australian focused exposure: <ul style="list-style-type: none"> • Australian domiciled, and • Issuers into the Australian market Foreign currency exposure hedged back to AUD Diversified portfolio of 50 - 100 assets Diversified across issuers and countries

Derivatives may be used to take market opportunities and to hedge interest rate risk, currency risk and credit risk.

SAMPLE ISSUERS*

NON INVESTMENT GRADE	INVESTMENT GRADE
	

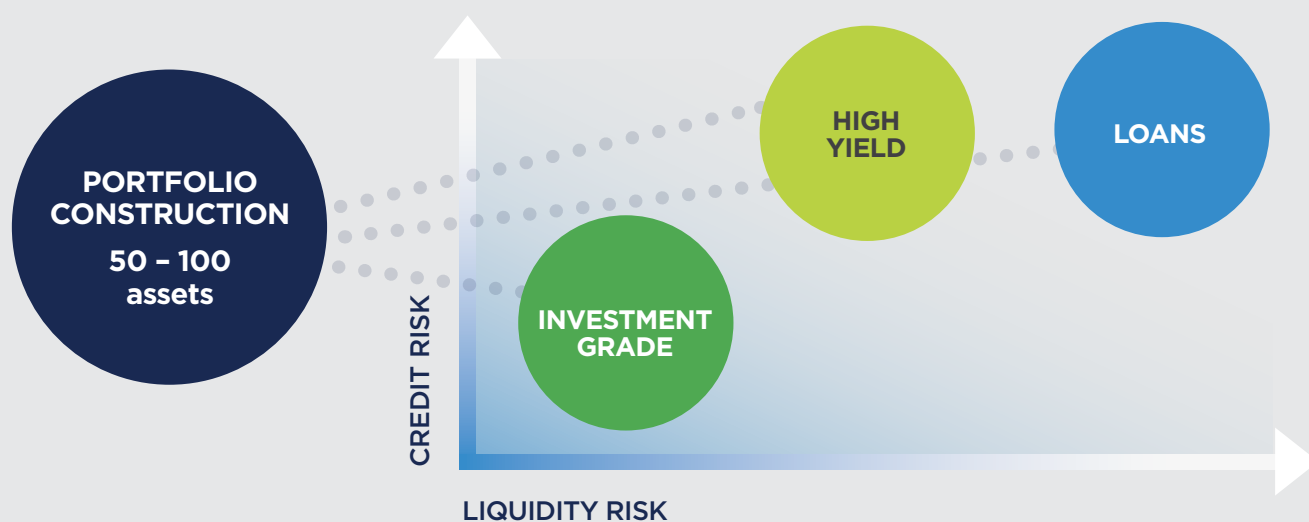
* The investment universe is an example of sample issuers in the market, and the Trust does not have any specific relationships with any of these sample issuers nor is it invested in these sample issuers as at the date of this PDS.

3.5 TARGET PORTFOLIO CONSTRUCTION

The Trust will invest in credit and fixed income assets directly and indirectly (through the Perpetual Loan Fund) using active asset allocation. The Portfolio will include a mix of investment grade, sub-investment grade and unrated assets. The Manager intends that investments in sub-investment grade and unrated corporate bonds and loans will be focussed on senior positions in the capital structure. The Manager intends to achieve its target portfolio construction within three months of the Trust listing on the ASX.

Using the disciplined investment process of the Manager, the Trust will typically be invested in 50 to 100 assets. The broad investment mandate provides flexibility to allocate assets to the most attractive investment opportunities on a risk-adjusted basis at any point in time. Figure 12 in section 3.4 provides examples of sample issuers across the Trust's broad investment universe.

Figure 13: The Trust's broad investment strategy allows for flexible portfolio construction



SAMPLE ASSETS	PORTFOLIO ALLOCATION
INVESTMENT GRADE	<ul style="list-style-type: none"> • Bonds/notes • Asset Backed Securities • Subordinated debt • Macro Credit Overlay <p>30% - 100%</p>
HIGH YIELD	<ul style="list-style-type: none"> • Bonds/notes • Asset Backed Securities • Opportunistically distressed bonds or notes • Equity: as part of a debt restructuring including a debt to equity swap <p>0% - 70%</p>
LOANS	<ul style="list-style-type: none"> • Leveraged loans • Syndicated loans • Focused on Senior Secured loans • Opportunistically, distressed loans

3.6 THE PERPETUAL LOAN FUND

Initial acquisition of units

In order to reduce the time for the Trust to obtain exposure to corporate loans, Perpetual Limited has agreed to assist the Manager in building an inventory of corporate loan assets in the Perpetual Loan Fund prior to the listing of the Trust. Subject to loan availability, Perpetual Limited intends to acquire units in the Perpetual Loan Fund prior to listing of the Trust. This would increase the size of the Perpetual Loan Fund and enable it to acquire additional loans.

After the issue of Units pursuant to the Offer, Perpetual Limited intends to sell its unit holding in the Perpetual Loan Fund to the Trust on terms that would be reasonably expected in the circumstances if the Responsible Entity and Perpetual Limited were dealing at arm's length.

The purchase price for each unit will be equal to the issue price for units in the Perpetual Loan Fund on that day. The issue price is determined by the responsible entity of the Perpetual Loan Fund according to unit pricing provisions in the constitution of, and following the standard asset valuation process for, the Perpetual Loan Fund. For details on the Unit Sale Agreement between Perpetual Limited and the Responsible Entity refer to section 11.2 of the PDS.

The number of units acquired by Perpetual Limited and subsequently sold will depend on loan availability but is not expected to exceed a total investment of \$50 million.

Key Features

The table below and paragraphs which follow summarise the investment strategy of the Perpetual Loan Fund and key features of its constitution.

Figure 14: Key features – Perpetual Loan Fund*

Structure	The Perpetual Loan Fund is a registered managed investment scheme open to investment from funds managed by the Manager. The Trust is an Attribution Managed Investment Trust for tax purposes.
Responsible entity and investment manager	The Manager is the responsible entity and investment manager of the Perpetual Loan Fund.
Investment objectives	The Perpetual Loan Fund is designed to: <ul style="list-style-type: none"> • provide exposure to a diversified portfolio of predominantly loans, and • outperform the benchmark on an ongoing basis.
Benchmark	Bloomberg AusBond Bank Bill Index
Investment guidelines	Rated ^{1,3} : 0-100% Unrated or sub-investment Grade ^{2,3} : 0- 100% Cash: 0-100%
Fees and expenses	Currently, no fees are charged, no buy/sell spread applies and expenses are not recovered. The responsible entity of the Perpetual Loan Fund is entitled to charge fees and recover expenses under the Perpetual Loan Fund Constitution, including management fees, performance fees, contribution fees and withdrawal fees.
Leverage	Not allowed
Distributions	Quarterly

1 Rated securities for investing in investment grade securities offering high yield type return.

2 Sub investment grade securities are securities that are rated BB+ or below.

3 Maximum total exposure to a single issuer is the higher of A\$40m or 15%.

* No offer for units in the Perpetual Loan Fund is made under this PDS.

Application for further units

Subject to the Investment Strategy, further units in the Perpetual Loan Fund may be acquired for the Portfolio. Any such units will be issued to the Trust at the application price on the date of issue. The application price is determined by the responsible entity of the Perpetual Loan Fund in accordance with the unit pricing provisions in the constitution for, and following the standard valuation process of, the Perpetual Loan Fund. All units issued on that day will have the same application price whether issued to the Trust or otherwise.

Redemption rights

The Perpetual Loan Fund is expected to generally be an illiquid fund which means at least 80% of this fund's assets are not able to be realised within 21 days.

While the Perpetual Loan Fund is illiquid, the Trust can only withdraw its investment from the Perpetual Loan Fund if:

- the responsible entity of the Perpetual Loan Fund makes a withdrawal offer; or
- a liquidity event specified in the constitution of the Perpetual Loan Fund occurs. A liquidity event will occur if the Manager is removed as the manager of the Trust by an ordinary resolution of Unitholders or where Perpetual Investments is replaced as the responsible entity of the Perpetual Loan Fund.

When a liquidity event occurs, the responsible entity of the Perpetual Loan Fund must offer liquidity to all Perpetual Loan Fund investors (including the Trust). If this liquidity offer is accepted, Perpetual Investments must conduct an orderly realisation of the Perpetual Loan Fund's assets and withdrawal offers will be made until the liquidity requested by investors is provided over a reasonable period of time.

Where a liquidity event occurs due to the replacement of Perpetual Investments as responsible entity of the Perpetual Loan Fund, the replacement responsible entity of the Perpetual Loan Fund may be required to realise assets in order to fund the liquidity offer. If this is the case, under the Perpetual Loan Fund constitution, Perpetual Investments will be appointed by the replacement responsible entity as the sale manager to conduct the orderly realisation of the assets on the replacement responsible entity's behalf due to its greater familiarity with the assets of the Perpetual Loan Fund. Perpetual Investments will be entitled to be reimbursed for any costs, expenses, charges or liabilities incurred for assisting with the realisation of assets.

Change of responsible entity

The responsible entity of the Perpetual Loan Fund may at any time, or must as required by the Corporations Act, retire as the responsible entity of the Perpetual Loan Fund. Subject to the Corporations Act, the responsible entity of the Perpetual Loan Fund may appoint another company to be the new responsible entity of the Perpetual Loan Fund.

Responsible entity's indemnity

To the extent permitted by the Corporations Act and in addition to any indemnity allowed by law, the responsible entity of the Perpetual Loan Fund is entitled to be indemnified in full out of the assets of the Perpetual Loan Fund for any liability incurred by it in the proper performance of its duties in relation to the Perpetual Loan Fund. This is except to the extent to which the loss is caused by the fraud, negligence or breach of trust of the responsible entity of the Perpetual Loan Fund.

3.7 LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

The Manager is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social, corporate governance (ESG) factors in their investment decision-making and ownership practices.

In relation to the Trust, the Manager's consideration of ESG factors and labour standards does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, the Manager will consider those ESG factors only to the extent that they are relevant to the current or future value of the investment.

3.8 ABOUT THE RESPONSIBLE ENTITY

The Responsible Entity of the Trust is Perpetual Trust Services Limited. The Responsible Entity is a wholly owned subsidiary of Perpetual Limited. The Perpetual group of companies has been in operation for approximately 130 years and Perpetual Limited is an Australian public company that has been listed on the ASX for over 50 years.

The Responsible Entity holds an AFSL issued by ASIC, which authorises it to operate the Trust.

The Responsible Entity is bound by the Constitution, the Corporations Act and the Listing Rules. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution, the Corporations Act and the Listing Rules.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed the Manager as investment manager of the Trust. The Responsible Entity has conducted due diligence on the Manager to ensure that it has the appropriate processes and capability to carry out the Investment Strategy for the Trust. The Responsible Entity also has an ongoing review framework in place to review the investment process that the Manager has in place for the Trust. This is explained further in the Investment Management Agreement summary in section 11 of this PDS. Information about how the board of the Manager monitors investment activities is set out in Section 12.5 'Management Structures and decisions'.

The Responsible Entity has appointed RBC Investor Services Trust as custodian and administrator of the Trust, and Automic Pty Limited to provide unit registry services for the Trust.

The material agreements of the Trust are set out in section 11.

Board of the Responsible Entity

The Board has a broad range of experience in financial services combined with financial and commercial expertise. The Board currently comprises four executive Directors and two alternate Directors.

Details of the current Board are set out below:

RICHARD MCCARTHY

Group Executive, Perpetual Corporate Trust

Executive Director — appointed in October 2018.

Richard joined Perpetual in 2007 as Director, Sales and Relationship Management, and became General Manager, Sales & Relationship Management, Strategy & Product and Marketing in 2011. Richard is now the Group Executive of Perpetual Corporate Trust.

Richard has more than 23 years' experience in banking and financial services, with deep sector knowledge in debt capital markets and managed funds.

Prior to joining Perpetual, Richard spent 10 years at JP Morgan Chase in London and Sydney in a number of senior leadership roles. Richard is a Director of the Australian Digital Commerce Association.

MICHAEL VAINAUSKAS

General Manager, Risk & Internal Audit, Corporate Services — Risk Group

Executive Director — appointed in March 2015.

Michael joined Perpetual as the General Manager Risk & Internal Audit in October 2014. In this role he is responsible for both risk management and internal audit functions across the Group.

Previous to his current role, Michael was the Head of Risk Operations within the International Financial Services Division of the Commonwealth Bank of Australia (CBA) where he was responsible for managing and supporting all risk management functions (other than large credit approvals) of the International Financial Services businesses which include China, India, Indonesia, Japan and Vietnam. Michael was previously the Chief Risk Officer for PT Commonwealth Bank Indonesia, a subsidiary of the Commonwealth Bank of Australia and was responsible for all risk and legal areas across the subsidiary.

Prior to this, Michael was the General Manager/Chief Risk Officer with both Westpac Banking Corporation in the Retail and Business Bank, and St George Bank in the Retail Bank and Wealth Management businesses. Michael previously worked in a number of senior consumer risk management roles for the Westpac Banking Corporation group of companies in both the bank and its former finance company subsidiary Australian Guarantee Corporation Limited.

Michael's background in finance extends back to 1983 and covers business, operational, compliance, legal and risk related responsibilities, from line-staff positions through to executive management level within a decentralised and centralised framework. Michael previously worked for 15 years at Household Finance Ltd which was subsequently acquired by AVCO Financial Services Ltd.

Michael has been involved in consumer risk management since 1991 and has performed functions in sales, lending, collections, area management, compliance, systems development/implementation and project management within Australia, Indonesia and the United States. Michael holds a Master of Business in Finance from the University of Technology, Sydney.

GLENN FOSTER

Group General Manager Finance, Corporate Services — Finance Group

Executive Director — appointed in July 2015.

Glenn is responsible for the Perpetual Group Finance function including external, regulatory and statutory reporting, financial operations, corporate tax compliance, treasury and capital management. He is also responsible for Business Support Services, including Facilities Management. He is a director of a number of Perpetual's controlled entities (including those licensed with ASIC).

Glenn is a Chartered Accountant and commenced his career with Coopers and Lybrand (now part of PricewaterhouseCoopers) before entering the financial services industry in 1994. Prior to joining Perpetual in 2003, Glenn worked in a number of senior finance roles with AIDC Ltd, Babcock & Brown Limited, State Street Bank and Trust Company Limited and RAMS Home Loans. Glenn has a Bachelor of Commerce degree from the University of New South Wales, has been a member of the Institute of Chartered Accountants in Australia since 1989 and is a graduate of the Australian Institute of Company Directors.

VICKI RIGGIO

**General Manager, Managed Fund Services,
Perpetual Corporate Trust**

Executive Director – appointed in May 2018.

Vicki Riggio is General Manager, Managed Fund Services, Perpetual Corporate Trust and has responsibility for Custody, Wholesale Trustee, Responsible Entity Services, Investment Management for MITs and Perpetual's Singapore business.

Vicki was previously the General Manager, Management Services, where she held responsibility for Trust Management, Accounting and Investment Management services offered to debt capital markets and managed fund clients in Australia and offshore.

Prior to this, Vicki was the Head of Wholesale Trustee responsible for the delivery of trustee services to a portfolio of funds in excess of \$40 billion, primarily supporting offshore investment into Australian real assets through managed investment trust structures. She has also previously been responsible for Perpetual's debt markets trustee operations and ongoing trustee compliance arrangements. Having worked in the financial services industry for over 20 years, Vicki has extensive experience across a variety of asset classes and trust structures with knowledge across tax, law and accounting.

Vicki is a Director across a variety of Perpetual's subsidiary companies, a responsible manager for the AFSLs held by Perpetual group companies and has a Bachelor of Land Economics from the University of Technology, Sydney.

PHILLIP BLACKMORE

**Head of Wholesale Trustee, Perpetual Corporate Trust
Alternate Director for Vicki Riggio – appointed in
July 2018.**

Phillip was appointed as Head of Perpetual Corporate Trust's Wholesale Trustee business in July 2016, where he has responsibility for servicing wholesale clients investing in real assets.

Phillip has over 20 years of experience in financial services having worked in both Sydney and London. Prior to working for Perpetual, Phillip held front, middle and back office roles with Westpac Banking Corporation, Morgan Stanley, Credit Suisse and IAG Asset Management, focusing primarily on operational risk and investment compliance. In March 2007, Phillip joined Perpetual's Group Risk & Compliance team having responsibility for the design and implementation of Perpetual's enterprise risk management framework and the placement of Perpetual's insurance program. Phillip also acted as risk advisor to the Group Executive of Perpetual Investments, Corporate Trust, Digital & Marketing and People & Culture.

Phillip is also a Non-Executive Director of the Big River Impact Foundation and holds a Graduate Diploma in Compliance, a Master of Arts (Risk Management) and is currently completing a Masters of Business Administration at the Australian Graduate School of Management.

ANDREW MCIVER

General Manager, Group Finance

**Alternate Director for Michael Vainauskas – appointed
in January 2017.**

Andrew joined Perpetual as General Manager, Group Finance – Commercial Advice & Planning in August 2015.

As a member of the Senior Leadership Team reporting to the CFO, Mr McIver leads one of Perpetual's finance teams with responsibility for business partnering and business finance activities.

Andrew has approximately 20 years of experience in finance, risk and management roles across a number of industries. Most recently he was Country Head of Finance Planning & Analysis for Citigroup Australia & New Zealand responsible for planning & analysis activities for the Institutional and Consumer bank. Between 2006 and 2015, Andrew held a number of senior roles at Citigroup across finance, risk and strategy. Prior to joining Citigroup in 2006, Andrew held the role of Acting Senior Manager, Diversified Institutions at the Australian Prudential Regulation Authority which he joined in 1999 as an Analyst.

Andrew is a Certified Practising Accountant and a member of CPA Australia. He also holds a Graduate Diploma in Applied Finance & Investments from FINSIA and a Bachelor's Degree of Economics, majoring in accounting and economic history, from Monash University.

3.9 DISTRIBUTIONS POLICY

The Trust intends to pay distributions to Investors monthly.

Distributions are expected to match the income (net of fees and expenses) generated by the Trust but will be paid at the discretion of the Responsible Entity. Any taxable capital gains would generally be included in the June distribution each year. The level of income distributed may vary from month to month.

It is currently intended that the first distribution will be paid to Investors for the period ending 30 June 2019 then monthly thereafter.

The Responsible Entity intends to offer a Distribution Reinvestment Plan (DRP) which will provide Investors with the option to re-invest distributions. Details of any DRP will be provided to Investors following the commencement of trading on the ASX.

3.10 VALUATION OF ASSETS

The NTA of the Trust is expected to be calculated daily by deducting from the total value of the assets of the Trust all liabilities, which includes declared but unpaid distributions, calculated in accordance with the Responsible Entity's Unit Pricing and Valuation Policy and Australian Accounting Standards (AAS).

The Net Tangible Asset Backing is the value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities as calculated in accordance with the Listing Rules.

The valuation methods applied by the Responsible Entity to value the Trust's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them and represent its assessment of current market value.

The NTA per Unit of the Trust is expected to be published daily on the Trust's website (www.perpetualincome.com.au) and lodged with the ASX.

3.11 CUSTODIAL MATTERS

The assets of the Trust will be held by a third-party custodian in accordance with the usual market practice. Any cost incurred for this service will be borne by the Trust. Cash may also be held on deposit with one or more Australian authorised deposit-taking institutions. The Responsible Entity has appointed RBC Investor Services Trust to hold the assets of the Trust. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting its interests. The Custodian has no liability or responsibility for any act done or omission made in accordance with the terms of the appointment.

To the extent that this PDS includes statements by the Custodian or includes statements based on any statement of, or information provided by, the Custodian, the Custodian consents to each such statement being included in the PDS in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this PDS. The assets to be held by the Custodian are not investments of the Custodian or any other member of the Custodian's group of companies. Neither the Custodian nor any other member of the Custodian's group of companies guarantees the performance of the investment or the underlying assets of the Trust, or provides a guarantee or assurance in respect of the obligations of the Trust.

3.12 ADMINISTRATION

The Responsible Entity has appointed RBC Investor Services Trust as the Administrator to provide certain investment valuation, accounting and administrative services to the Trust. Any cost incurred for this service will be borne by the Trust. The Administrator will value the Trust's assets at the end of each day and will, as soon as it is practical, provide these calculations to the Trust.

3.13 UNIT REGISTRY

The Responsible Entity has appointed Automic Pty Limited to provide unit registry services to the Trust. Any cost incurred for this service will be borne by the Trust.

3.14 CHANGES TO INVESTMENT STRATEGY

It is expected that the Manager will implement the Trust's Investment Objective, Investment Strategy, guidelines and elements of investment as detailed in this PDS.

It is not expected that the Manager will seek to change the Trust's Investment Objective, Investment Strategy, guidelines or permitted investments. However, any such changes would require Responsible Entity approval, after consultation with the Manager, before they could be implemented. Investors will receive advice of any material changes via the Trust's website (www.perpetualincome.com.au) and the ASX.

Subject to compliance with the Listing Rules and the Corporations Act the Manager has absolute discretion to invest as it sees fit to achieve the Trust's Investment Objective.

If the Trust's investment activity ceases to comply with the approved Investment Objective, Investment Strategy, guidelines or permitted investments or any directions or instructions from the Responsible Entity due to market movements, contributions to or withdrawals from the Trust, a change in the nature of

an investment or any other event outside the reasonable control of the Manager, the Manager must use its reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance, or a longer period as permitted by the Responsible Entity.

3.15 LEVERAGE

It is not anticipated that the Trust will borrow for the purposes of making investments. However, the use of derivatives may result in leverage. The maximum leverage limit through uncovered derivative positions is 15% of the Trust's Net Tangible Assets. Derivative strategies are based on the Investment Team's credit scoring process and are biased towards taking tactical positions in investment grade credit derivative indices.

3.16 LIQUIDITY

While the Trust is listed, Units are not able to be redeemed except in accordance with a withdrawal offer under the Corporations Act or a buy-back of Units under the Corporations Act and Listing Rules. It is not the current intention of the Responsible Entity to make any withdrawal offers in relation to the Trust.

Once the Trust is admitted to the official list of the ASX and Units are quoted on the ASX, Investors will be able to sell their Units on the ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling investors, the ASX being open for trading and the Units not being suspended from trading. Units may be sold on the ASX by Investors instructing their stockbroker.

As at the date of this PDS, the Responsible Entity does not offer any liquidity facilities to Investors, but Investors may sell their Units on the ASX after Units are quoted on the ASX (subject to there being sufficient on-market purchasers). However, the Responsible Entity may offer liquidity alternatives to Investors in the future.

3.17 REPORT TO UNITHOLDERS

The Trust intends to release to the ASX a daily statement of the Net Tangible Asset Backing of its Units for a business day by the end of the next business day and a monthly performance report. The calculation of the Net Tangible Asset Backing of Units will be made in accordance with the Responsible Entity's Unit Pricing and Valuation Policy.

The Trust intends that the Administrator and the Manager will prepare reports on both a semi-annual and annual basis to keep Investors informed about the current activities of the Trust, the performance of the Trust's investments and the investment outlook.

The annual accounts for the Trust will be audited. These reports, continuous disclosure notices and other information about the Trust will be accessible on the Trust's website (www.perpetualincome.com.au).

Investors should be aware that investments in corporate loans are private and confidential transactions and as such, individual investments may not be disclosed.

In addition, the Trust will be a disclosing entity and will be required to meet the continuous disclosure requirements of the Corporations Act and the Listing Rules. Accordingly, the Responsible Entity will:

- prepare and lodge with ASIC both yearly and half yearly financial statements for the Trust accompanied by a director's statement and report and an audit or review report, and
- immediately notify ASX of any information concerning the Trust of which it is, or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Units, subject to certain limited exceptions relating mainly to confidential information.

Copies of documents listed above that are lodged by the Trust with ASIC or ASX may be obtained from ASIC or ASX (respectively) or from the Responsible Entity.

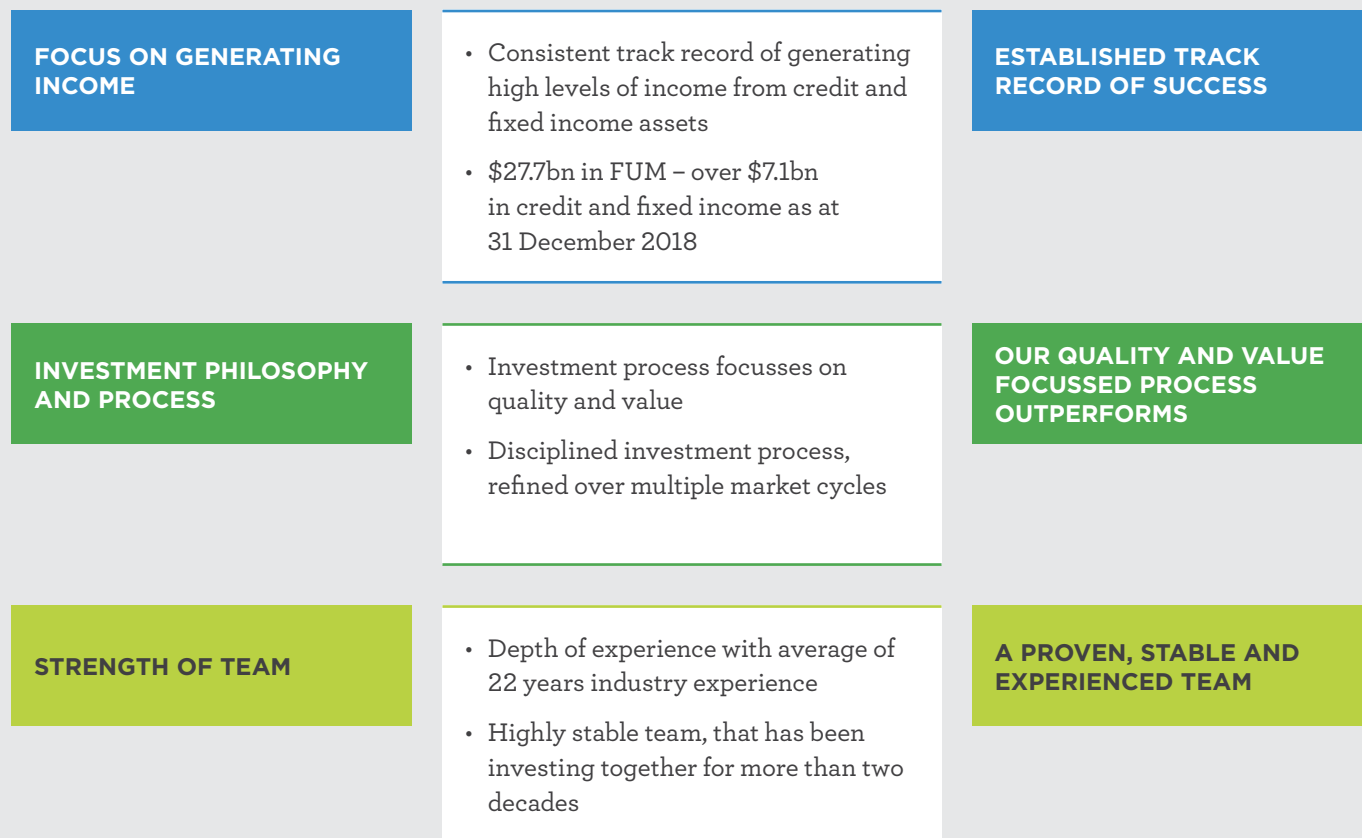
SECTION 4: ABOUT THE MANAGER

4.1 OVERVIEW

Perpetual Investment Management Limited is a wholly owned subsidiary of Perpetual Limited. Perpetual Limited is a publicly listed company on the ASX, with origins back to 1886. Its market capitalisation was approximately \$1.5 billion as at 31 December 2018.

Perpetual Group has three core businesses: Perpetual Investments with funds under management of \$27.7 billion as at 31 December 2018, Perpetual Private and Perpetual Corporate Trust.

Figure 15: Stable, experienced team with a proven track record



4.2 ROLE OF THE MANAGER

The Manager has been appointed by the Responsible Entity and will be responsible for implementing the Investment Strategy of the Trust in accordance with the Investment Management Agreement.

Highly skilled, stable Investment Team

The Manager has one of the most experienced, proven and stable teams in the Australian fixed income market. The team is well-resourced and the senior portfolio managers have invested together at Perpetual for over a decade.



The members of the Credit and Fixed Income Team at Perpetual Investments have an average of 22 years industry experience, and are highly skilled and experienced in actively managing credit. This has been evidenced by the team's proven ability to generate income for investors; a process refined through multiple market cycles.

4.3 INVESTMENT TEAM

Michael Korber will be the Portfolio Manager of the Trust and will be supported by the broader Investment Team.

Amongst the Investment Team, there are specialist skills in leveraged and acquisition finance, corporate finance, corporate and institutional lending, loan syndication and portfolio credit risk management.

Figure 16: The Perpetual Investments Credit and Fixed Income Team

 <p>MICHAEL KORBER Head of Credit and Fixed Income</p> <p>Portfolio Manager: Perpetual Credit Income Trust Perpetual Pure Credit Alpha</p> <p>37 years experience, 14 years at Perpetual</p>	VIVEK PRABHU Head of Fixed Income	26 years experience, 14 years at Perpetual Portfolio Manager: Diversified Income Fund, Ethical SRI Credit Fund
	GREG STOCK Head of Credit Research	26 years experience, 14 years at Perpetual Portfolio Manager: Active Fixed Interest, Dynamic Fixed Income, Exact Market Cash
	THOMAS CHOI Portfolio Manager / Credit Analyst	16 years experience, 10 years at Perpetual Portfolio Manager: High Grade Treasury, Cash Management
	CAROL YUAN Credit Analyst	11 years experience, joined Perpetual August 2017
	JP BAE Market Analyst / Dealer	15 years experience, 8 years at Perpetual
	MICHAEL MURPHY High Yield Analyst	6 years experience, joined Perpetual October 2018
 <p>ANNE MOAL Senior High Yield Analyst</p> <p>Portfolio Manager: Perpetual Loan Fund</p> <p>22 years experience, 4 years at Perpetual</p>		



MICHAEL KORBER

Head of Credit and Fixed Income

BEcon

Michael has over 37 years' experience, having been involved in credit markets since their development in Australia during the 1990's.

Unlike many other fixed income portfolio managers in this market, Michael has a background in lending and banking, understanding credit risk in a fundamental way.

Prior to this he was a Divisional Director, working seven years in Corporate Banking and four years as deputy to the Head of Macquarie Bank Credit and earlier, he had spent four years as a Credit Analyst with Westpac Banking Corporation.

ANNE MOAL

Senior High Yield Analyst and Portfolio Manager

M. Mgmt (Finance), GAICD

Anne is an experienced credit markets specialist, having worked for 22 years in credit and fixed income markets in research, origination and trading roles. Anne joined the Credit and Fixed Income Team at Perpetual Investments in 2014. Anne is the portfolio manager of the Perpetual Loan Fund with a focus on higher yielding income opportunities.

Before joining Perpetual in 2014, Anne worked for 10 years at Deutsche Bank, Global Markets division in Sydney where she held various roles, including origination and underwriting of sub-investment grade debt, Head of the Distressed Product Group, Australia and Head of Credit Research. She has also held roles with major institutions in London, including Deutsche Bank, Bankers Trust International, Banque Nationale De Paris and Credit Lyonnais.

Anne is a Graduate of the Australian Institute of Company Directors and holds a Master in Management from Rouen Business School (France) majoring in Finance.

VIVEK PRABHU

Head of Fixed Income

BBus (Acc & Fin), FCA, FFin, MBA, GAICD

Joining Perpetual in 2004, Vivek has over 25 years of experience spanning accounting, auditing, governance, risk management and investments. He has managed currency, global bond and credit portfolios and manages the teams Income strategies (Credit Income Fund / Diversified Income Fund) and has also previously managed Enhanced Cash and Exact Market Cash portfolios. In 2015 he was selected for Perpetual's Talent Program.

Previously, Vivek spent almost 8 years at Macquarie Bank including as assistant portfolio manager, compliance manager funds management group and internal audit. Prior to this, he was with Coopers & Lybrand (PwC) in their audit division.

Vivek has previously been a member of the FINSIA Funds and Asset Management Industry Council and a member of the AFR CFO Capital Awards judging panel.

GREG STOCK

Head of Credit Research

BComm (Acc & Fin), FCA, FFin, AFMA

Greg has over 26 years of experience in accounting, auditing and risk management, institutional dealing/broking and investment management. He has researched and analysed credit markets on both the buy side and sell side, for over 12 years and through two cycles. Greg started at Perpetual in 2004, previously working at Macquarie Funds Management.

Greg has been managing portfolios for 12 years. He is currently the portfolio manager for the Perpetual Active Fixed Interest Fund, Perpetual Dynamic Fixed Income Fund and the Perpetual Exact Market Cash strategy. Greg has a broad research role including coverage of the banking and financial sectors and selective other sectors and issuers. He is also the delegated credit authority.

Prior to joining Perpetual, he had a similar role in Macquarie Investment Management.

THOMAS CHOI

Portfolio Manager / Credit Analyst

BEcon, CFA, CQF

Thomas has over 16 years' experience and has been a member of Perpetual's Credit and Fixed Income team since May 2010. Thomas is the portfolio manager for the High Grade Treasury Fund and is also responsible for the analysis of RMBS and REITs.

Prior to joining the Credit and Fixed Income team Thomas worked within the Perpetual Research and Analytics Team where he was responsible for supporting the Credit and Fixed Income team, provision of investment analytics such as attribution and portfolio analysis, and the active asset allocation process for Perpetual's balanced funds.

Prior to joining Perpetual, Thomas worked in a number of investment roles including time at the hedge fund manager Prodigal where he was an Investment Analyst, and CMC Markets where he was a dealer on the trading desk.

JP BAE

Market Analyst / Dealer

BA Bus & Mgt (Hons), MAppFin

JP joined Perpetual in July 2010. He has over 15 years of experience in the financial services industry and is currently responsible for relative value analysis and short-end trades.

JP previously worked as an Investment Manager at Zurich Investment Management responsible for overseeing portfolio management of Zurich's balance sheet assets and sub-advised portfolios across all asset classes, as well as managing relationships with external fund managers.

Prior to this, JP held various investment roles at MLC including a Senior Investment Policy Analyst responsible for managing investment menus across MLC platforms and running of the Platform Investment Committee.

JP holds a Bachelor of Arts with Honours in Business and Management and completed a Master of Applied Finance at Macquarie University.

CAROL YUAN

Credit Analyst

BComm (Acc & Fin), Mecon, CFA

Carol joined Perpetual in 2017 and is an experienced research analyst and credit investor, with experience in Asian credit markets. Carol has a background in researching both investment-grade and high-yield companies.

Carol previously worked at Aberdeen Asset Management in Sydney and Singapore as a Credit Research Analyst. Prior to this Carol worked at AllianceBernstein Australia. Carol holds a Bachelor of Commerce and Masters of Economics with Distinction, and is a CFA Charterholder.

MICHAEL MURPHY

High Yield Analyst

BEng, BEc, MPhil (Econ)

Michael joined Perpetual in 2018 as a High Yield Analyst focusing on the high yield and private debt markets.

Having previously worked as an Investment Associate at Metrics Credit Partners, Michael is responsible for covering leveraged finance and corporate private debt. Prior to this, he was an Associate Credit Analyst at Morningstar and before that, a Credit Risk Analyst at Commonwealth Bank.

Michael has a Bachelor of Engineering (1st class honours) and Bachelor of Economics from the University of Adelaide, along with a Master of Philosophy (Economics) from the University of Oxford.

4.4 PROVEN PROCESS AND PERFORMANCE

The Trust's investment strategy is a new and unique strategy to Perpetual Investments and as such there is no existing performance history.

To demonstrate the Investment Team's proven track record deploying the same investment philosophy and process described in section 3.4, this section sets out the net performance (after fees) as at 31 January 2019 and monthly returns, compared to the RBA Cash Rate, from inception date to 31 January 2019 for the Perpetual Pure Credit Alpha Fund. The investment guidelines of the Trust and Perpetual Pure Credit Alpha Fund differ as set out below.

The returns for the Perpetual Pure Credit Alpha Fund are not forecasts and do not represent the future performance of the Trust or the future performance of the Manager's investment philosophy and process. Past performance is not indicative of future performance.

Figure 17: Differences between the Perpetual Credit Income Trust and Perpetual Pure Credit Alpha Fund*

VEHICLE	PERPETUAL CREDIT INCOME TRUST	PERPETUAL PURE CREDIT ALPHA FUND
Income objective	To provide investors with monthly income by investing in a diversified pool of credit and fixed income assets	n/a
Investment guidelines	Investment grade debt: 30-100% Sub-investment grade/non-rated debt: 0-70% Borrowing for gearing purposes is not allowed. Leverage via derivatives: Maximum 15%	Investment grade debt: 50-100% Sub-investment grade/non-rated debt: 0-50% Equity: 0-15% Illiquid assets: 0-18% Borrowing allowed. Gearing level including leverage via derivatives: Maximum 50%
Exposure to the Perpetual Loan Fund	Up to 70%	Up to 18%
Estimated management costs	0.88%	1.00% as at 30 June 2018
Structure	A Trust to be listed on the ASX, Units can be bought and sold through the ASX. The Trust does not fund redemptions.	An unlisted managed investment scheme with monthly redemptions processed by the Manager.

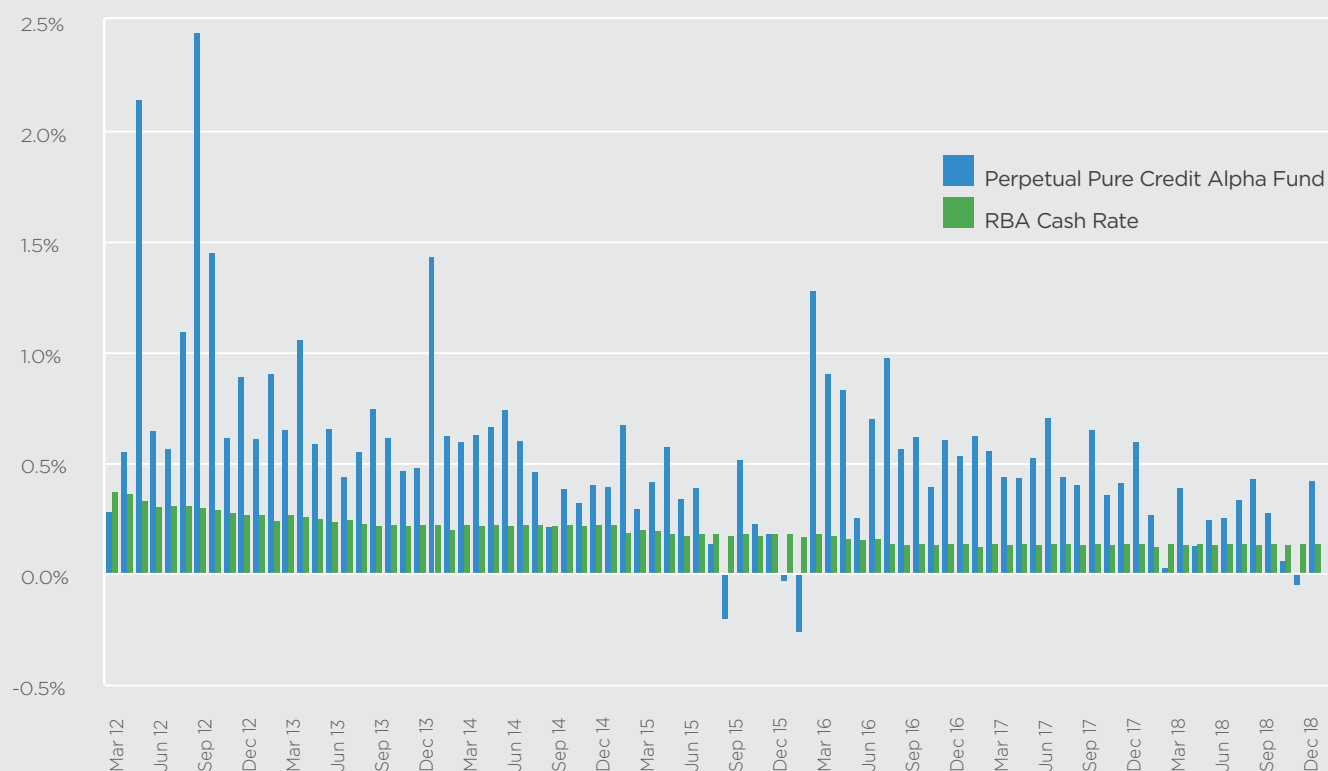
* No offer for units in the Perpetual Pure Credit Alpha Fund is made under this PDS. The product disclosure statement for the Perpetual Pure Credit Alpha Fund should be considered before deciding whether to acquire or hold units in that fund.

Figure 18: Perpetual Pure Credit Alpha Fund net performance (after fees) as at 31 January 2019

	1M%	3M%	6M%	1Y%	2Y%	3Y%	4Y%	5Y%	INCEPTION*^
Pure Credit Alpha Fund	0.41	0.41	1.42	2.68	4.40	5.42	4.93	5.15	6.64
RBA Cash Rate Index	0.13	0.38	0.76	1.51	1.51	1.58	1.70	1.87	2.22
Excess Return	+0.28	+0.03	+0.66	+1.17	+2.89	+3.85	+3.23	+3.28	+4.42

Source: Perpetual Investments. **Past performance is not indicative of future performance.** Numbers may not be whole due to rounding. Net performance (after fees). Total return shown for the fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. *Inception date: 1 March 2012. ^Annualised where period is greater than one year.

Figure 19: Monthly returns, since inception, of the Perpetual Pure Credit Alpha Fund compared to the RBA Cash Rate to 31 January 2019



Source: Perpetual Investments. **Past performance is not indicative of future performance.** Net performance (after fees). Total return shown for the fund have been calculated using exit prices after taking into account all of Perpetual's ongoing fees and assuming reinvestment of distributions. Inception date: 1 March 2012.

SECTION 5: DETAILS OF THE OFFER

5.1 THE OFFER

The Responsible Entity is seeking to raise up to \$400 million through the offer of Units for subscription at a Subscription Price of \$1.10 per Unit. Under the Offer, the Responsible Entity may accept Oversubscriptions in excess of this amount to raise up to an additional \$40 million.

The Minimum Subscription required for the Offer to proceed is \$150 million. If the Minimum Subscription is not obtained within four months after the date of this PDS, the Responsible Entity may, in its absolute discretion either:

1. repay all Application Amounts in full without interest as soon as practicable; or
2. issue a supplementary or replacement PDS changing the terms of the Offer. If this occurs, Applicants will be given one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

The Offer is made in the following ways:

- General Offer – open to investors who have a registered address in Australia or New Zealand.
- Broker Firm Offer – open to persons who have received a firm allocation from their Broker, are Retail Applicants or Institutional Applicants and who have a registered address in Australia or New Zealand. An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Units under the Broker Firm Offer.
- Cornerstone Offer – open to Cornerstone Investors who have been invited by the Manager to participate in the Offer.

- Perpetual Limited Shareholder Priority Offer – open to Perpetual Limited shareholders as at the record date of 18 March 2019 who have a registered address in Australia or New Zealand.
- Perpetual Equity Investment Company Limited Shareholder Priority Offer – open to Perpetual Equity Investment Company Limited shareholders as at the record date of 18 March 2019 who have a registered address in Australia or New Zealand.

Up to \$50 million has been set aside for applicants under the Perpetual Limited Shareholder Priority Offer and Perpetual Equity Investment Company Limited Shareholder Priority Offer (collectively, **Shareholder Priority Offers**).

If the Responsible Entity receives Applications under the Cornerstone Offer or Shareholder Priority Offers for more than their respective allocations, the Responsible Entity intends to treat the additional Applications under the offers as being made under the General Offer.

If the Responsible Entity receives Applications under the Cornerstone Offer or Shareholder Priority Offers for less than their respective allocations, the Responsible Entity intends to reallocate any shortfall.

Discretions under the Offer

The Responsible Entity reserves the right not to proceed with the Offer at any time before the allotment of Units under the Offer. If the Offer does not proceed, all Application Amounts received by the Responsible Entity will be refunded in full without interest. The Responsible Entity takes no responsibility for any Application Amounts lodged with the Joint Lead Managers and Co-Managers or Brokers until these are received by the Responsibility Entity.

The Responsible Entity also reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this PDS or any Applicant.

The Responsible Entity may also accept Oversubscriptions, and may in its absolute discretion reject any Application or allocate a lesser number of Units than those applied for at its absolute discretion.

5.2 HOW DO I APPLY UNDER THE OFFER?

General Offer

In order to apply for Units under the General Offer, please make an online application at www.perpetualincome.com.au. Payment for online applications can be made through BPAY or Electronic Funds Transfer (ETF).

Alternatively, you can complete the General Offer Application Form that forms part of, is attached to, or accompanies this PDS or a printed copy of the General Offer Application Form attached to the electronic version of this PDS. The General Offer Application Form must be completed in accordance with the instructions set out in the General Offer Application Form.

Once completed, please lodge your General Offer Application Form and Application Amount so that they are received at the following address by 5:00 pm (Sydney time) on the Closing Date.

By mail to:

Perpetual Credit Income Trust – General Offer
c/- Automic
GPO Box 5193
SYDNEY NSW 2001

By hand delivery to:

Perpetual Credit Income Trust – General Offer
c/- Automic
Level 5
126 Phillip Street
SYDNEY NSW 2000

Applications amounts for paper application forms may be paid by cheque, bank draft or money order as described below.

Broker Firm Offer

If you are applying for Units under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer Application Form.

Applicants under the Broker Firm Offer must lodge their Broker Firm Offer Application Form and Application Amount with their Broker in accordance with the relevant Broker's directions. Applicants under the Broker Firm Offer must not send their Application Forms to the Unit Registry. The Responsible Entity reserves the right to reject any Broker Firm Offer Application Forms received other than through relevant Brokers.

The allocation of Units to Brokers will be determined by the Responsible Entity, the Manager and the Joint Lead Managers.

It will be a matter for the Brokers how they allocate Units among their clients, and they (and not the Responsible Entity, the Manager nor the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Units.

The Responsible Entity, the Unit Registry, the Manager, the Joint Lead Managers and the Co-Managers take no responsibility for any acts or omissions by you or your Broker in connection with your Application, Application Form and Application Amount (including, without limitation, failure to submit Application Forms in accordance with the deadlines set by your Broker).

Please contact your Broker if you have any questions.

Cornerstone Offer

Cornerstone Investors will receive a letter from the Manager setting out how they can participate in the Cornerstone Offer.

Perpetual Limited Shareholder Priority Offer

Applicants can apply online at www.perpetualincome.com.au by using their Perpetual priority code to log-in and submit an application and pay their Application Amount by BPAY or EFT as described below.

Alternatively, applicants can request a PDS and personalised Perpetual Limited Shareholder Priority Offer Application Form to be mailed to them by calling the Perpetual Credit Income Trust Limited Offer Information Line on 1300 778 468 between 8:30am and 7:00pm (Sydney time), Monday to Friday during the Offer Period.

The Perpetual Limited Shareholder Priority Offer Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Perpetual Limited Shareholder Priority Offer Application Form and Application Amount so that they are received online or at the following address by 5.00 pm (Sydney time) on the Closing Date.

By mail to:

Perpetual Credit Income Trust – Perpetual Limited
Shareholder Priority Offer
c/- Automic
GPO Box 5193
SYDNEY NSW 2001

By hand delivery to:

Perpetual Credit Income Trust – Perpetual Limited
Shareholder Priority Offer
c/- Automic
Level 5
126 Phillip Street
SYDNEY NSW 2000

Applications amounts for paper application forms may be paid by cheque, bank draft or money order as described below.

Perpetual Equity Investment Company Limited Shareholder Priority Offer

Applicants can apply online at www.perpetualincome.com.au by using their Perpetual Equity Investment Company Limited priority code to log-in and submit an application and pay their Application Amount by BPAY or EFT as described below.

Alternatively, applicants can request a PDS and personalised Perpetual Equity Investment Company Limited Shareholder Priority Offer Application Form to be mailed to them by calling the Perpetual Credit Income Trust Limited Offer Information Line on 1300 778 468 between 8:30am and 7:00pm Sydney time, Monday to Friday during the Offer Period.

The Perpetual Equity Investment Company Limited Shareholder Priority Offer Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Perpetual Equity Investment Company Limited Shareholder Priority Offer Application Form and Application Amount so that they are received online or at the following address by 5.00 pm (Sydney time) on the Closing Date.

By mail to:

Perpetual Credit Income Trust – Perpetual Equity Investment Company Limited Shareholder Priority Offer
c/- Automic
GPO Box 5193
SYDNEY NSW 2001

By hand delivery to:

Perpetual Credit Income Trust – Perpetual Equity Investment Company Limited Shareholder Priority Offer
c/- Automic
Level 5
126 Phillip Street
SYDNEY NSW 2000

Applications amounts for paper application forms may be paid by cheque, bank draft or money order as described below.

How to complete and attach your payment for online applications

The Application Amount for online applications under the General Offer and Shareholder Priority Offers may be provided by BPAY or EFT only.

Paying your Application Amount by BPAY

Investors may apply for Units online and pay their Application Amount by BPAY. Investors wishing to pay by BPAY should complete the online Application Form and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)).

You will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Responsible Entity accepts no responsibility for any failure to receive Application Amounts or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Paying your application by EFT (Online Applications only)

Investors may apply for Units online and pay their Application Amount by EFT. Investors wishing to pay by EFT should complete the online Application Form which is available on the Trust's website and follow the instructions on the online Application Form (which includes the payment instructions and your unique Customer Reference Number (**CRN**)).

When completing your EFT payment, please use the specific payment instructions and your unique CRN provided on the online Application Form confirmation email. If you do not use the correct CRN your Application will not be recognised as valid and may be rejected.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on EFT, and policies with respect to processing EFT transactions may vary between banks, credit unions or building societies. The Responsible Entity and the Unit Registry accept no responsibility for any failure to receive Application Amounts or payments by EFT before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

How to complete and attach your payment for paper form applications

Applications amounts for paper application forms may be paid by cheque, bank draft or money order.

Cheques or bank drafts must be:

- in Australian currency
- drawn on an Australian branch of a financial institution
- crossed “Not Negotiable”, and
- made payable:
 - for Applicants in the General Offer, Cornerstone Investor Offer and Shareholder Priority Offers: to “Perpetual Credit Income Trust”; or
 - for Applicants in the Broker Firm Offer: in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in their account to cover their cheque, bank draft or money order. If the amount of your cheque, bank draft or money order for the Application Amount (or the amount for which your payment clears in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Amount will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

When does the Offer open?

The Offer is expected to open for Applications on 25 March 2019.

What is the deadline to submit an Application under the Offer?

It is your responsibility to ensure that your Application Form and Application Amount are received by the Unit Registry before 5:00pm (Sydney time) on the Closing Date for the Offer which is 18 April 2019.

Broker Firm Offer Applicants should return their Applications in accordance with the deadline set by their Broker. The Manager and the Unit Registry take no responsibility in respect of an Application Form or Application Amount which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Amount are received by the Unit Registry.

Is there any brokerage, commission or stamp duty payable by Applicants?

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Units under the Offer. The Establishment Costs are summarised below.

What are the Establishment Costs and who is paying them?

The Establishment Costs are the costs incurred by establishing the Trust and raising capital under this PDS. All Establishment Costs will be paid by the Manager.

At the time of production of this PDS the Establishment Costs payable by the Manager were estimated to be \$4.7 million (excluding GST) assuming the Minimum Subscription is achieved and \$10.4 million (excluding GST) assuming the Maximum Subscription is achieved (before the acceptance of Oversubscriptions) and \$11.3 million (excluding GST) assuming the Maximum Subscription is achieved (and all Oversubscriptions are accepted).

The Manager may pay a stamping fee of 1.25% (plus GST) to AFSL holders based on the value of Units allotted under the General Offer or the Shareholder Priority Offer pursuant to Applications procured by AFSL holders subject to a valid claim being made. This is included in the estimate of Establishment Costs provided above.

In certain circumstances where the IMA is terminated within the first ten (10) year initial term, the Manager is entitled to the termination payment described in section 11.1, which includes a pro-rata reimbursement of the Establishment Costs paid by the Manager.

When will I receive confirmation whether my Application has been successful?

Applicants under the General Offer or Shareholder Priority Offer will be able to call the Offer Information Line on 1300 778 468 between 8:30am and 7:00pm (Sydney time), Monday to Friday, from 8 May 2019 to confirm their allotment of Units. Holding statements confirming Applicants' allotments under the Offer are expected to be sent to successful Applicants on or around 8 May 2019.

When will I receive my Units and when can I trade my Units?

Subject to the ASX granting approval for the Trust to be admitted to the official list of the ASX (see section 5.5) by the Closing Date, the Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on the Allotment Date.

Trading of Units on the ASX is expected to commence on 14 May 2019 on a normal T + 2 settlement basis.

If you sell your Units before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Unit Registry.

Who do I contact if I have further questions?

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, solicitor, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this PDS, please call the Offer Information Line on 1300 778 468 between 8:30am and 7:00pm (Sydney time), Monday to Friday.

5.3 ALLOCATION POLICY

The basis of allocation of Units under the Offer (including allocations under the Shareholder Priority Offers, Cornerstone Investor Offer and Broker Firm Offer) will be determined by the Responsible Entity, the Manager and the Joint Lead Managers.

The Responsible Entity reserves the right in its absolute discretion to not issue Units to Applicants under the Offer.

The Responsible Entity reserves the right to give certain Applicants preference in the allotment of Units. The Responsible Entity may reject any Application, or allocate to an Applicant a lesser amount of Units than those applied for at its absolute discretion.

5.4 APPLICATION AMOUNT

The minimum Application Amount is \$2,200.00 (for 2,000 Units). Applications in excess of the minimum number of Units must be in multiples of 500 Units (or amounts of \$550.00).

The Unit Registry will hold all Application Amounts received in the Trust's designated trust account with an Australian authorised deposit-taking institution for Application Amounts in relation to the Offer until the Allotment Date when the Units are issued to successful Applicants. Application Amounts may be held for up to 60 days starting on the day on which money was received, before the Units are issued or the Application Amounts are returned (this time period is modified by ASIC relief).

Applicants under the Broker Firm Offer must lodge their Application Amount with their Broker, who will act as the Applicant's agent in providing their Application Amount to the Manager.

The relevant part of the Application Amount will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Trust will retain any interest earned on Application Amounts.

5.5 ASX LISTING

No later than seven days after the date of this PDS, the Responsible Entity will apply to the ASX for admission to the official list of the ASX and for the Units to be granted official quotation by the ASX. The Responsible Entity is not currently seeking a listing of the Units on any securities exchange other than the ASX.

The fact that the ASX may admit the Trust to the official list of the ASX and grant official quotation of the Units is not to be taken in any way as an indication of the merits of the Trust or the Units offered for subscription under the Offer. The ASX takes no responsibility for the contents of this PDS. Normal settlement trading in the Units, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to confirm their allocation prior to trading in the Units. Applicants who sell Units before they receive confirmation of their allotment will do so at their own risk.

If permission for quotation of the Units is not granted within three months after the date of this PDS, all Application Amounts received by the Responsible Entity will be refunded without interest as soon as practicable.

5.6 TAX IMPLICATIONS OF INVESTING IN THE TRUST

The taxation consequences of an investment in the Units will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Trust.

A general overview of the Australian taxation implications of investing in the Trust are set out in section 10 and are based on current tax law and ATO tax rulings. The information in section 10 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.

5.7 OVERSEAS DISTRIBUTION

Offer only made where lawful to do so

This PDS does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to qualify the Units or the Offer, or to otherwise permit a public offering of the Units in any jurisdiction outside Australia or New Zealand. The distribution of this PDS (including in electronic form) in a jurisdiction other than Australia or New Zealand may be restricted by law, and persons who come into possession of this PDS should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities laws.

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

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

If you are uncertain about whether this investment is appropriate for you, you should contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

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

Overseas ownership and resale representation

No action has been taken to register or qualify the Offer of Units under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

It is your personal responsibility to ensure compliance with all laws of any country relevant to your Application under this Offer. The return of a duly completed Application Form will be taken by the Responsible Entity to constitute a representation and warranty made by you to the Responsible Entity that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

If you fail to comply with any applicable restrictions, the failure may constitute a violation of applicable securities laws of any country relevant to your Application.

SECTION 6: FEES AND OTHER COSTS

6.1 CONSUMER ADVISORY WARNING

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) has a managed funds fee calculator to help you check out different fee options.

6.2 FEES AND OTHER COSTS

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

Tax information is set out in section 10 of this PDS. Unless otherwise stated, all fees and other costs disclosed in this PDS are inclusive of the net effect of GST.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee The fee to close your investment.	Nil	Not applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Management costs¹		
The fees and costs for managing your investment.	0.88% per annum of the Net Tangible Assets (inclusive of the net effect of GST).	<p>Management Fee: 0.72% of the Net Tangible Assets per annum accrued daily and paid monthly in arrears from the Trust's assets.</p> <p>Responsible Entity Fee: 0.03% to 0.05% of the Net Tangible Assets per annum, depending on the amount raised under the Offer, calculated and accrued daily and paid monthly in arrears from the Trust's assets.</p> <p>Recoverable expenses: Expected to be 0.11% of the Net Tangible Assets per annum (as at the date of the PDS) and paid when incurred out of the Trust's assets.</p> <p>Indirect costs: Expected to be 0% of the Net Tangible Assets (as at the date of the PDS) and paid when incurred out of the Trust's assets.</p>
Service fees		
Switching fee The fee for changing your investment options.	Nil	Not applicable

¹ This amount comprises the Management Fee, estimated Responsible Entity Fee, the estimated reasonable expenses and estimated indirect costs. See 'Management costs' on page 49 for more details.

6.3 EXAMPLE OF ANNUAL FEES AND COSTS

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

EXAMPLE ²	AMOUNT	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR ³
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS Management costs ⁴	0.88% per annum of the Trust's NTA	And , for every \$50,000 you have in the Trust, you will be charged \$440 each year.
EQUALS Cost of Trust		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$440.⁵</p> <p>What it costs you will depend on the fees you negotiate.</p>

² This is an example only and does not take into account any movements in the value of Units that may occur over the course of the year or any abnormal costs.

³ This example assumes the \$5,000 contribution occurs at the end of the first year. Management costs are calculated using the \$50,000 balance only.

⁴ This management cost amount consists of management fee, estimated Responsible Entity fee, estimated recoverable expenses and estimated indirect costs.

⁵ Please note that this example does not capture all the fees and costs that may apply to an individual investor such as transaction costs.

6.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

Management costs

Management costs are expressed as a percentage of the Trust's NTA. Management costs are comprised of a Management Fee, estimated Responsible Entity fee, estimated recoverable expenses and estimated indirect costs. Management costs do not include transactional and operational costs. There is no performance fee for the Trust. For more information please see the 'Transactional and operational costs' on this page.

Management fee

This fee is charged by the Responsible Entity for managing the Trust and paid onto the Manager for providing services under the IMA.

The Manager will receive a management fee of 0.72% per annum of the Trust's NTA.

Responsible Entity fee

Depending on the amount raised under the Offer, a fee of 0.03% to 0.05% of the Trust's NTA is charged by the Responsible Entity for operating the Trust and making it available to investors. It is calculated and accrued daily and paid monthly in arrears.

Recoverable expenses

These are the ordinary and everyday expenses incurred in operating the Trust and are deducted from the assets of the Trust as and when they are incurred.

The expenses normally incurred in the day to day operation of the Trust include custodian, fund administration, unit registry, ASX and audit costs (other than transactional and operational costs described above).

Indirect Costs

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce the Trust's returns that are paid from the Trust's assets (other than the estimated Responsible Entity fee, estimated recoverable expenses, and transactional and operational costs described elsewhere in this section 6) or that are paid from the assets of any interposed vehicle (such as Perpetual Loan Fund) in which the Trust may invest.

The amount of indirect costs include, but are not limited to any fees, recoverable expenses and any indirect costs of any interposed vehicle. No fees are charged and no costs are recovered by the Perpetual Loan Fund at the date of the PDS.

Transactional and operational costs

Transactional and operational costs are costs related typically to the transactions of the Trust such as brokerage, settlement costs, clearing costs and government charges. When the Trust incurs transaction costs from changing its investment portfolio, they are paid out of the Trust's assets.

The Responsible Entity estimates the Trust's transactional and operational costs to be approximately 0.11%-0.14%. This estimate includes an estimate of any transactional and operational costs that may be incurred indirectly in the Perpetual Loan Fund.

Can the fees change?

All fees in this PDS can change. Reasons might include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Trust. Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and subject to change from time to time. The Constitution sets the maximum amount the Responsible Entity can charge for all fees. If the Responsible Entity wishes to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution.

Maximum Fees

The maximum fees that can be charged under the Trust's Constitution (exclusive of GST) are:

- Management fee payable to the Responsible Entity – 3% per annum of the Trust's portfolio value
- Responsible Entity remuneration fee - \$1,000 per hour, adjusted quarterly to reflect any increase in the "All groups CPI weighted average of eight capital cities" published by the Australian Bureau Statistics, in respect of each quarter.

Government Charges and Taxation

Government charges will be applied as appropriate. Tax information, including GST, is set out in section 10.

Stockbroker and financial adviser fees

Investors may incur brokerage fees and commissions when buying or selling Units on the ASX. Investors should consult their stockbroker or financial adviser for more information in relation to their fees and charges.

SECTION 7: RISK FACTORS

All investments carry risk. The value of your investment may fall for a number of reasons, which means that you may receive back less than your original investment or you may not receive income over a given timeframe. The level of income distributed can also vary from month to month or no distribution may be made. Before making an investment decision, it's important to understand the risks that can affect the value of your investment.

While it's not possible to identify every risk relevant to investing in the Trust, we have detailed in this section significant risks that may affect your investment.

Different strategies may carry different levels of risk, depending on the assets that make up the strategy, and assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

The value of the Trust's Units may decline significantly if the Trust's business, financial condition or operations were to be negatively impacted and its Units may in turn trade below NTA on the ASX. In these circumstances, you could lose all or part of your investment in the Trust.

Before deciding to invest in the Trust, you should carefully consider the key risks outlined below and throughout this PDS. These disclosures are not exhaustive.

Your financial adviser can assist you in determining if an investment in the Trust is suited to your financial needs.

7.1 INVESTMENT STRATEGY RISK

The Trust will invest in credit and fixed income assets. As such, the Trust may be exposed to the risks that are specific to these assets. This may include operational risks, distribution risks, valuation risks, liquidity risks and tax risks that are specific to credit and fixed income assets.

The historic performance of the asset class managed by the Manager cannot be relied on as a guide to future performance of those assets or the Trust. The Investment Strategy to be used by the Manager on behalf of the Trust includes inherent risks. These include, but are not limited to the following:

- the ability of the Manager to devise and maintain a portfolio that achieves the Trust's Investment Objective, Investment Strategy and guidelines within the parameters of the investments in which it is permitted to invest and set out in this PDS and the law
- the ability of the Manager to continue to manage the Trust's portfolio in accordance with this PDS, its mandate and the law which may be compromised by such events as the loss of its licence or registrations
- interest rate and credit risk to the Trust's strategy of predominantly investing in credit and fixed income assets.

There is no guarantee that the Investment Strategy of the Trust will be managed successfully or that the Trust will meet its objectives. Failure to do so could negatively impact the performance of the Trust.

Manager Risk

The Manager may not manage the Trust in a manner that consistently meets the Trust's Investment Objective over time.

If the Manager ceases to manage the Trust, the Responsible Entity will need to identify and engage an alternative, and suitably qualified and experienced, replacement investment manager. This may affect the Trust's success and profitability. For example, it may require assets of the Trust to be sold and gains or losses realised other than pursuant to the Trust's Investment Objective. Section 11.1 of the PDS summarised the Responsible Entity's rights to terminate the Investment Management Agreement and the Manager's right to a termination payment.

If the Investment Management Agreement is terminated, it may also trigger a 'liquidity event' in the Perpetual Loan Fund which could also affect the success and profitability of the Trust's investment in the Perpetual Loan Fund. In particular, the sale price of the Perpetual Loan Fund's assets may be less than the value at which those assets are held in the Perpetual Loan Fund's accounts. This means that investors may receive less than expected. See section 3.6 for information about the Perpetual Loan Fund, including its liquidity.

Personnel Risk

The skill and performance of the Manager can have a significant impact (both directly and indirectly) on the investment returns of the Trust. Changes in key personnel and resources of the Responsible Entity or Manager may also have a material impact on investment returns of the Trust.

Time taken to deploy capital

It takes time to deploy the Trust's funds into the appropriate assets. There may be a risk that it may take longer than expected to deploy the Trust's capital into the appropriate assets. This means the Portfolio may not align with the Trust's Investment Objective and target return while the funds are being deployed.

RISK OF LOSS OF PRINCIPAL

All investing involves risk including the loss of principal. By making an investment in the Trust, an investor is putting their capital at risk, which may result in the loss of principal. An investment in the Trust is not the same as investing in a guaranteed annuity issued by an Australian Prudential Regulation Authority (APRA) regulated entity or an alternative capital guaranteed product.

7.2 RELATED PARTY/CONFLICT OF INTEREST RISK

The operation and success of the Trust will involve a number of transactions and ongoing arrangements between the Responsible Entity and its related parties. Related party transactions may give rise to conflicts of interest that need to be carefully managed to ensure that priority is given to the interests of Unitholders.

Investment Management Agreement

The Manager and the Responsible Entity are both members of the Perpetual Group and related entities. See section 11.1 for further details about the Investment Management Agreement. There is a risk that as a result the Responsible Entity may not monitor the performance of the Manager, and the Manager may not perform, as well as would happen if the parties were not related.

Perpetual Group has policies and procedures in place to ensure that the Investment Management Agreement is on arm's length terms and that the Manager performs its

functions in the best interests of Unitholders. Sections 8 and 12.5 of this PDS provide further details about the policies and procedures.

Investment Team

The Investment Team will manage the portfolio of a number of funds, including the Trust and the Perpetual Loan Fund. There is a risk that one or more of those funds will be treated preferentially to the potential detriment of the Trust. To manage this risk the Manager has a number of policies and procedures that are designed to ensure fair and equitable treatment of all funds by the Investment Team and that the Investment Team will give priority to the interests of investors over their personal interests and the interests of the Perpetual Group generally.

Unit Sale Agreement

There is a risk that the Unit Sale Agreement is on terms that favour Perpetual Limited over the Trust. However, the Responsible Entity (which is under a duty to act in the best interests of Unitholders) has satisfied itself that the Unit Sale Agreement is on arm's length terms. In particular, the purchase price the Trust will pay Perpetual Limited for its units in the Perpetual Loan Fund is the same price that the Trust would have paid if it invested directly in the Perpetual Loan Fund, being the application price calculated by the responsible entity of the Perpetual Loan Fund in accordance with the constitution and standard valuation processes. See Section 11.2 for further details about the Unit Sale Agreement.

Perpetual Loan Fund Investment

The Trust may, from time to time, make further investments in the Perpetual Loan Fund. The responsible entity of the Perpetual Loan Fund has a duty to treat all investors in the same class equally and any further investments by the Trust will be on the same terms as other investors. Similarly, any withdrawal opportunities will be available to all investors, including the Trust, on the same terms. See Section 3.6 for further details about the Perpetual Loan Fund.

Responsible Entity Board

The Responsible Entity's board has executive Directors. This means there is a risk of a conflict of interest in the operations of the Board. The Perpetual Group has a corporate governance framework that includes a number of controls to manage conflict of interest such as may arise in these circumstances. For example, the composition of the Responsible Entity's board means that the Responsible Entity is required to have a Compliance Committee that oversees the Trust's Compliance Plan. See Section 8 for a discussion of the corporate governance arrangements in place for the Trust.

7.3 PORTFOLIO / ASSET CLASS RISKS

Leverage Risk

Leverage may magnify the gains and losses achieved by the Trust. Borrowing (or gearing) does not form part of the Trust's Investment Strategy, however, derivatives may result in leverage (with a maximum leverage limit of 15%). Refer to section 3.3 and 3.15 for further details.

Market and Economic Risk

Certain events may have a negative effect on the price of all types of investments within a particular market in which the Trust holds investments. These events may include (but are not limited to) changes in legal, tax, economic, social, technological or political conditions, laws as well as general market sentiment. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of Trust assets.

There can be no guarantee given in respect of the future earnings of the Trust or the earnings or any capital appreciation of the Trust's investments.

Currency Risk

For investments in global assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Trust's Portfolio. For example, if the Australian dollar rises, the value of the Trust's global investments expressed in Australian dollars can fall. The Manager will seek to mitigate currency risk by hedging foreign currency exposures to the Australian dollar.

Credit Risk or Default Risk

Credit risk is the risk that a borrower or counterparty does not meet its principal and/or interest payment obligations as they fall due. If the credit risk increases for a borrower, for example due to a deterioration in its financial position, the value of the debt instruments of the borrower may fall. There may be a number of reasons why a borrower's credit worthiness declines such as business or specific sector issues, or general economic conditions deteriorating. In times of deteriorating economic or credit market conditions, lower quality credit instruments may be more volatile and price sensitive compared to higher quality credit instruments. Therefore, in times of challenging economic and market conditions, sub-investment grade credit instruments may carry with them a greater default risk due to the corporate issuer's impaired ability to service interest and repay the principal as and when due.

The taking of security or the provision of third-party guarantees may not fully mitigate the risk of credit loss.

Given the rating of sub-investment grade and nature of un-rated assets, the Trust's investments in assets of this credit quality will expose it to a larger amount of credit risk in comparison to a fund that solely invests in investment grade credit assets.

Interest Rate Risk

Interest rate risk is the risk of a change in value of a security due to a change in interest rates. Longer-term assets are generally more impacted by interest rate risk than short-term assets.

Credit Margin Risk

Credit margin risk is the risk of a change in the value of an asset due to a change in credit margins. Longer term assets are generally more impacted by credit margin risk than short term assets. As credit margins increase (decrease), the security value may decrease (increase).

Liquidity Risk

Liquidity risk arises when there is a shortage of buyers and sellers in the market place. It is the risk that the Trust will be unable to sell out of its investments at full market value. The Trust invests in loan assets, some of which are classified as illiquid investments according to the Corporations Act.

Derivatives and Hedging Risk

Derivatives are instruments whose value is derived from the value of an underlying asset. A derivative's value will fluctuate in response to changes in the underlying asset, which may be affected by various factors including but not limited to interest rates, foreign exchange rates, credit ratings or volatility of the underlying asset. Such changes can make the value of derivatives themselves highly volatile.

Derivatives may be acquired with little or no initial investment and as a result, increase the potential size of both profits and losses. Given the very little or no initial investment required to acquire derivatives, losses from such transactions can be significant and exceed the original amount invested. For these reasons, the use of derivatives involves a higher level of risk and volatility than buying the underlying asset directly.

Derivative values can fluctuate significantly and in certain circumstances a derivative can be more volatile than the underlying asset or index. The value of a derivative contract may fall as a result of an adverse movement in the underlying asset or index. Losses can be magnified where a greater exposure is created through the derivative position than is backed by the assets of a fund. Derivatives may also be subject to liquidity risk and/or counter-party risk. Depending on market conditions derivative positions can be costly or difficult to reverse.

Section 3.3 details the Manager's use of derivatives and their purpose within the Trust. If the use of derivatives is mistimed or misjudged with respect to market conditions, such derivative positions may lower the Trust's return or result in a loss. Derivative positions may also result in losses for the Trust if they are poorly correlated with its other investments.

A counterparty may also be required to take collateral from the Trust's assets to support a derivatives contract. Therefore, there is a risk that if the counterparty becomes insolvent, the Fund's assets may not be returned in full.

The Manager will typically seek to mitigate currency risk by hedging foreign currency exposures to the Australian dollar. While hedging is intended to mitigate certain risks, under certain circumstances such as sudden and unforeseen changes in currency exchange rates, interest rates or the value of the Trust's assets, the use of derivatives may adversely impact the Trust's returns.

Foreign Jurisdiction and Economic Risk

For investments in global assets, the Trust may be exposed to risks relating to its investment in the assets of entities located in a foreign jurisdiction, where the laws of those foreign jurisdictions offer less legal rights and protections to asset holders of assets in foreign entities in such foreign jurisdictions compared to the laws in Australia.

The economies of foreign countries vary with respect to their rate of inflation, currency depreciation/appreciation, gross domestic product, resource self-sufficiency, asset reinvestment and balance of payment positions. Further, certain markets may be more reliant on international trade and, as a result, have specific trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist policies that may impact their relationships with trade partners. Such economies may also be heavily dependent on a sub-sector of industries and may have higher levels of debt or inflation.

Counterparty Risk

A loss may occur if the other party to a contract, such as a derivatives counterparty or a custodian, defaults on their obligations under the contract.

7.4 RISKS OF A LISTED TRUST

ASX Liquidity Risk

Units in the Trust are intended to be listed on the ASX. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after listing, that such a

secondary market will sustain a price representative of the NTA per Unit. As a listed investment trust, there is no regular redemption facility for Units. That is, if an Investor no longer wishes to be invested in the Trust with respect to some or all of their Units, they will not have the ability to simply redeem their Units. They will be required to sell their Units on the ASX.

Distribution Risk

The Trust's ability to pay a distribution is contingent on the income it receives from its investments. No guarantee can be given concerning the future earnings of the Trust, the earnings or capital appreciation of the Trust's portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Trust's returns being inadequate to pay distributions to Investors.

Operational Risk

There is a risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Trust's operation and result in a decrease in the value of Units or otherwise disadvantage the Trust. These systems and procedures include, but are not limited to, those that identify and manage conflicts of interest. Section 8 of this PDS explains the corporate governance framework for the Responsible Entity. Operational Risk is principally addressed through Perpetual's risk management framework, which includes internal controls to mitigate the risk that relevant systems and procedures are not followed. Perpetual Limited's Audit, Risk and Compliance Committee oversees the risk management framework.

No Operating Performance History of the Trust

The Trust is a newly formed entity with no financial, operating or performance history and no track record which could be used by an investor to make an assessment of the ability of the Responsible Entity or the Manager to achieve the Investment Objective of the Trust. The information in this PDS about the Investment Objective of the Trust are not forecasts, projections or the result of any simulated future performance. There is a risk the Trust's Investment Objective will not be achieved.

Discount to the Net Tangible Assets

The NTA is a valuation at a fixed point in time. If the market moves subsequent to this date, the security price of the Trust may pre-empt the change to the NTA. At times investment themes may lead to the Trust trading at a price that deviates from its underlying value.

Service Provider Risk

The performance of the Trust's portfolio relies on the successful performance of the Responsible Entity's contracts with service providers. Refer to section 11 of this PDS for details on the material agreements with these service providers. The Trust could be exposed

to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Responsible Entity would be successful in enforcing its contractual rights. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Responsible Entity sources replacement service providers.

Cyber Risk

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

Litigation Risk

From time to time, the Responsible Entity may be involved in litigation. This litigation may include, but is not limited to, contractual claims. If a claim is pursued against the Responsible Entity, the litigation may adversely impact on the profits and financial performance of the Trust. Any claim, whether successful or not, may adversely impact on the Trust's Unit price and/or the return on your investment.

FATCA Risk

The Fund intends to be treated under Australian FATCA Rules as a Reporting Financial Institution or a trustee-documented trust, and is not expected to be subject to a 30% FATCA withholding tax on US sourced income. However, this cannot be assured given the complexity of the Australian FATCA Rules.

ASX Counterparty Risk

ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHESS, the central system for clearing and settling trades on the ASX, to ensure they receive their settlement proceeds as well as the risk that arises as a result of Investors relying on the creditworthiness of their Broker when making trades on the ASX.

7.5 ASX RELATED MARKET RISK

Investors should be aware that there are a number of specific risks associated with Units being listed on the ASX.

- The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range of other factors including the presence of larger buying or selling interest in the Units. Therefore, Investors should expect that for periods of time, sometimes extended periods, the Units may trade below the stated underlying NTA per Unit.

- Units in the Trust when listed on the ASX may be thinly or heavily traded, and could be very volatile, irrespective of any changes in the underlying value of the investments held by the Trust. Units may also trade at a discount or premium to the NTA per Unit. There can be no guarantee that Investors will be able to buy or sell Units for a price which they or the Responsible Entity believe fairly reflects the value of their Units. In addition, the NTA per Unit will fluctuate with changes in the value of the underlying investments held by the Trust.

7.6 GENERAL RISKS

Potential Conflict of Interest Risk

The Manager is the investment manager of funds in addition to the Trust and the Perpetual Loan Fund and entities within the 'Perpetual Group' (comprising Perpetual and its subsidiaries, including the Responsible Entity and the Manager) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. Other roles may conflict with the roles they play in operating and managing the Fund.

Perpetual Group (including the Manager) have implemented policies and procedures to identify and, where possible, mitigate or avoid conflicts. Section 12.5 of this PDS contains a summary of the conflicts of interest policies and procedures that have been adopted. Since these policies and procedures form part of Perpetual's risk management framework, internal controls have been put in place to mitigate the risk that they won't be followed and compliance is overseen by Perpetual's Audit, Risk and Compliance Committee. Section 8 of this PDS explains the corporate governance framework for the Responsible Entity.

Legal and Regulatory Risk

Changes in legislation and differences between rules (including interpretation of the law) in domestic and foreign markets, including those dealing with taxation, accounting, investments and the ASX, may adversely impact your investment.

7.7 TIMEFRAME FOR INVESTMENT

Investors are strongly advised to regard any investment in the Trust as a long-term proposition (five years or more) and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

SECTION 8: CORPORATE GOVERNANCE

8.1 CORPORATE GOVERNANCE FRAMEWORK

The Responsible Entity has the responsibility of ensuring the Trust is properly managed so as to protect and enhance Unitholders' interests in a manner that is consistent with the Trust's responsibility to meet its obligations to all parties with which it interacts. To this end, the Responsible Entity has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of activities.

The Responsible Entity endorses the ASX Corporate Governance Principles and Recommendations (**ASX Recommendations**) published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations (to the extent that such principles and recommendations are applicable to an entity of the size and structure of the Trust).

The Responsible Entity will review the corporate governance policies and structures that the Trust has in place on an ongoing basis to ensure that these are appropriate for the size of the Trust and nature of its activities, and that these policies and structures continue to meet the corporate governance standards to which the Responsible Entity is committed to.

8.2 CORPORATE GOVERNANCE POLICIES

The Responsible Entity has adopted the following policies and charters, which have been prepared having regard to the ASX Recommendations.

- Code of Conduct – This policy sets out the standards of ethical behaviour and integrity that the Responsible Entity expects from its Directors, officers and any employees.
- Continuous Disclosure Policy – The Trust must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Trust discloses to the ASX any information concerning the Trust which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. This policy sets out the Trust's procedures and measures which are designed to ensure that the Trust complies with its continuous disclosure obligations.
- Risk Framework – This framework is designed to assist the Trust to identify, evaluate, monitor and manage risks affecting the Trust's business.
- Securities Trading Policy – This policy is designed to maintain investor confidence in the integrity of the Responsible Entity's internal controls and procedures and in particular to provide guidance to Directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.
- Communications Policy – This policy sets out the practices which the Trust will implement to ensure effective and efficient communication with its Unitholders.
- Diversity Policy – This policy sets out the Trust's objectives for achieving diversity amongst its Directors, executives and any employees.
- Compliance Plan – Sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Constitution. This plan is overseen by a Compliance Committee and the Responsible Entity's compliance with it is audited annually.
- Compliance Committee – The Responsible Entity has established the Compliance Committee with a majority of external members. A Compliance Committee charter governs the key aspects of the Compliance Committee.

COMPLIANCE COMMITTEE MEMBERS

VIRGINIA MALLEY

Virginia has 31 years' experience in the investment and banking sectors, including 16 years' experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.

Virginia is a non-executive director of Perpetual Superannuation Limited; a member of several Perpetual compliance committees and the Sydney Airport Trust compliance committee; and member of the clean energy regulator. She is a director of the Perpetual Equity Investment Company Limited.

Virginia was previously the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She oversaw the risk management of portfolios investing in clean technologies, listed equities, derivatives, currencies and private equity.

Virginia is a Fellow of the Australian Institute of Company Directors. She holds a Bachelor of Arts and a Master of Applied Finance from Macquarie University, a Master of Laws from the University of Sydney, a Juris Doctor from the University of Technology, Sydney and a Graduate Diploma of Environmental Law from the University of Sydney.

MICHELENE COLLOPY

Michelene is Chair of Perpetual Superannuation Limited as an independent director and a member of its Audit and Risk Committee. Michelene is an experienced professional in funds management, treasury, risk management, compliance, and corporate governance, with over 20 years' experience in financial markets.

Michelene holds a Bachelor of Economics degree from Australian National University and is a Chartered Accountant. Michelene also holds a Financial Planning Accreditation from Deakin University, is a Financial Planning Specialist with the Institute of Chartered Accountants and a Fellow of the Australian Institute of Company Directors.

Michelene is a director of Teachers Mutual Bank and Pro Chancellor of The University of Technology Sydney.

MICHAEL VAINAUSKAS

Please refer to Michael's biography in section 3.8.

8.3 ASX CORPORATE GOVERNANCE PRINCIPLES

The Responsible Entity has evaluated its current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Responsible Entity is set out below.

Principle 1 – Lay solid foundations for management and oversight

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Trust, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the Trust as a whole. The Responsible Entity's Board is accountable to the Unitholders, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Trust.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Trust. The Responsible Entity's Board delegates to management all matters not reserved to the Responsible Entity Board, including the day-to-day management of the Responsible Entity and the operation of the Trust. Directors, management and staff are guided by Perpetual's Code of Conduct which is designed to assist them in making ethical business decisions.

Principle 2 – Structure of the Board to add value

At present the Responsible Entity's Board consists of four executive Directors and two alternate Directors. The names of the current Directors and year of appointment is provided below:

NAME OF DIRECTOR	YEAR OF APPOINTMENT
Michael Vainauskas	2015
Glenn Foster	2015
Vicki Riggio	2018
Richard McCarthy	2018
Andrew McIver (Alternate for M Vainauskas)	2017
Phillip Blackmore (Alternate for V Riggio)	2018

As the Responsible Entity Board consists of only executive Directors, a Compliance Committee is appointed in relation to the Trust (refer to Principle 7).

None of the executive directors of the Responsible Entity Board are independent and they are not remunerated by the Responsible Entity. The Compliance Committee comprises a majority of external members (for the purposes of the Corporations Act)¹ and is chaired by an external member who is not the chair of the Responsible Entity's Board.

Principle 3 – Act ethically and responsibly

The Responsible Entity relies on a variety of mechanisms to monitor and maintain appropriate workplace culture:

- Policies and procedures, it has a Code of Conduct and cyclical mandatory trainings
- “The Way We Work” behaviour framework, and risk ratings that are intertwined into its annual performance, remuneration and hiring processes; and
- Employee engagement surveys and action planning conducted annually to address any gaps or concerns in culture.

These apply to all directors and employees of Perpetual Limited, and the Responsible Entity. The Code of Conduct and Core Values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process.

The Code of Conduct is available on Perpetual's website (www.perpetual.com.au).

Principle 4 – Safeguard integrity in corporate reporting

The functions of an audit committee are undertaken by the Responsible Entity Board with assistance from the Responsible Entity's management.

The declarations under section 295A of the Corporations Act provide formal statements to the Responsible Entity Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Manager, which assist its staff in making the declarations provided under section 295A of the Corporations Act.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for the Trust.

Principle 5 – Make timely and balanced disclosure

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the Listing Rules in relation to the Trust. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that information that a reasonable person would expect to have a material effect on the unit price, or would influence an investment decision in relation to the Trust, is disclosed to the market. The Responsible Entity's company secretary assists management and/or the Directors in making disclosures to the ASX after appropriate Responsible Entity Board consultation. The Responsible Entity requires service providers, including the Manager, to comply with its policy in relation to continuous disclosure for the Trust.

Principle 6 – Respect the rights of Unitholders

The Responsible Entity is committed to ensuring timely and accurate information about the Trust is available to Unitholders via the Trust's website. All ASX announcements will be promptly posted on the Trust's website. The annual and half year financial results statements and other communication materials are also published on the Trust's website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from Unitholders and convenes formal and informal meetings of Unitholders as requested or required. The Responsible Entity has an active program for effective communication with Unitholders and other stakeholders in relation to Trust.

The Responsible Entity handles any complaints received from Unitholders in accordance with Perpetual's Complaints Handling Policy. The Responsible Entity is a member of the Australian Financial Complaints Authority, an independent dispute resolution body,

1 Under the Corporations Act, a member of the Compliance Committee is an external member if they:

- are not, and have not been in the previous 2 years, a non-external director, a senior manager or an employee of the Responsible Entity or a related body corporate of the Responsible Entity;
- are not, and have not been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entity or a related body corporate of the Responsible Entity;
- are not a member of a partnership that is, or has been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entity or a related body corporate of the Responsible Entity;
- do not have a material interest in the Responsible Entity or a related body corporate of the Responsible Entity; and
- are not a relative of a person who has a material interest in the Responsible Entity or a related body corporate of the Responsible Entity.

which is available to Unitholders in the event that any complaints in relation to the Trust cannot be satisfactorily resolved by the Responsible Entity.

Principle 7 – Recognise and manage risk

The Responsible Entity values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The Responsible Entity has established a Compliance Committee, comprised of Virginia Malley, Michelene Collopy and Michael Vainauskas.

The Compliance Committee meets at least quarterly. The Compliance Committee Charter sets out the Compliance Committee's role and responsibilities. The Compliance Committee is responsible for compliance matters regarding the Responsible Entity's obligations under the Compliance Plan and Constitution and the Corporations Act.

Perpetual Limited's Audit, Risk and Compliance Committee is responsible for oversight of Perpetual's risk management and internal control systems. The Audit, Risk and Compliance Committee is comprised of Ian Hammond, Philip Bullock, Nancy Fox and Craig Ueland. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained from the Perpetual website (www.perpetual.com.au). The majority of the Compliance Committee and the Audit, Risk and Compliance Committee members are external members. They are chaired by external members.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust.

The Responsible Entity Board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Trust.

Perpetual Limited has a Risk Management Framework in place which is reviewed annually. The declarations under section 295A of the Corporations Act provide assurance regarding sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Responsible Entity also receives appropriate declarations from the service providers involved in financial reporting.

Perpetual has an internal audit function which reports to Perpetual's Audit and Risk Compliance Committee and for administrative purposes, the General Manager – Risk & Internal Audit, and is independent from the external auditor. Perpetual's internal audit establishes a risk based audit plan each year that is approved formally by Perpetual's Audit and Risk Compliance Committee and executes internal audits of the Responsible Entity in accordance with the plan. The plan is re-assessed quarterly and reviewed to ensure that it is dynamic and continues to address the key risks faced by the Perpetual group. Progress against the plan, changes to the plan and the results of audit activity are reported quarterly to Perpetual's Audit and Risk Compliance Committee.

In respect to social or ethical considerations the Manager is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social, corporate governance (ESG) factors in their investment decision-making and ownership practices. In relation to the Trust, the Manager's consideration of ESG factors and labour standards does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, the Manager will consider those ESG factors only to the extent that they are relevant to the current or future value of the investment.

Principle 8 – Remunerate fairly and responsibly

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trust are set out in the Constitution. The Trust's financial statements provide details of all fees and expenses paid by the Trust during a financial period.

SECTION 9: FINANCIAL INFORMATION

9.1 INTRODUCTION

The Trust was registered with ASIC on 22 May 2018 and has not undertaken any trading activities. As at the date of this PDS, the Trust does not have any Units on issue.

This section 9 contains a summary of the financial information of the Trust, which includes:

- The unaudited Pro Forma Statements of Financial Information as at 8 March 2019 (Pro Forma Financial Information) (see section 9.2)
- Directors' material assumptions used in the preparation of the Pro Forma Financial Information (see section 9.3)
- Capital structure of the Trust on completion of the Offer (see section 9.4)
- Pro forma cash of the Trust (see section 9.5), and
- Significant accounting policies of the Trust (see section 9.6).

The Pro Forma Financial Information has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in AAS, but is presented in an abbreviated form and

does not include all the disclosures, statements and comparative information that would be required by AAS to be included in an annual financial reports prepared in accordance with the Corporations Act.

The information in this section 9 should be read in conjunction with the risk factors set out in section 7 and other information contained in this PDS.

9.2 UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL INFORMATION

The Pro Forma Financial Information set out below has been prepared to illustrate the financial position of the Trust following the allotment of Units under the Offer and the expenditure of funds associated with the Offer as if such events had occurred on 8 March 2019. The Pro Forma Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer. The Pro Forma Financial Information has been prepared in accordance with the principles and significant accounting policies in section 9.6.

PRO FORMA	MINIMUM SUBSCRIPTION (\$150 MILLION)	SUBSCRIPTION AMOUNT OF \$300 MILLION	MAXIMUM SUBSCRIPTION (\$400 MILLION)	MAXIMUM SUBSCRIPTION WITH OVERSUBSCRIPTIONS (\$440 MILLION)
Assets				
Cash ¹	150	300	400	440
Total Assets	150	300	400	440
Liabilities				
Total Liabilities	–	–	–	–
Investor Equity				
Subscription for Units	150	300	400	440
Net assets attributable to Investors	150	300	400	440

1 The investment in the Perpetual Loan Fund units is not reflected at Allotment Date as the amount of units that will be purchased and their value is unknown at this date. Therefore, the total subscription amount is reflected as Cash.

9.3 DIRECTOR'S MATERIAL ASSUMPTIONS IN PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

The following assumptions by the Directors of the Responsible Entity have been used as the basis of preparing the Pro Forma Financial Information:

- a) application of the significant accounting policies set out in section 9.6
- b) the column headed 'Minimum Subscription (\$150 million)', has been prepared on the basis of subscriptions for 136,363,637 Units by Applicants under this PDS at an issue price of \$1.10 per Unit
- c) the column headed 'Subscription amount of \$300 million', has been prepared on the basis of subscriptions for 272,727,272 Units by Applicants under this PDS at an issue price of \$1.10 per Unit
- d) the column headed 'Maximum Subscription (\$400 million)', has been prepared on the basis of subscriptions of 363,636,363 Units by Applicants under this PDS at an issue price of \$1.10 per Unit

- e) the column headed 'Maximum subscription with Oversubscriptions (\$440 million)', has been prepared on the basis of subscriptions of 400 million Units by Applicants under this PDS at an issue price of \$1.10 per Unit
- f) expenses of the Offer are to be paid by the Manager and have not been included in the Pro Forma Financial Information in section 9.2, and
- g) applications under the Priority Shareholders Offers total 45,454,545 Units at \$1.10 per Unit raising \$50 million.

9.4 CAPITAL STRUCTURE

Set out below is the anticipated capital structure of the Trust following the allotment of Units under the Offer on the basis of the subscription amounts set out below.

	MINIMUM SUBSCRIPTION (\$150 MILLION)	SUBSCRIPTION AMOUNT OF \$300 MILLION	MAXIMUM SUBSCRIPTION (\$400 MILLION)	MAXIMUM SUBSCRIPTION WITH OVERSUBSCRIPTION (\$440 MILLION)
Units	136,363,637	272,727,272	363,636,363	400,000,000
NTA per Unit*	\$1.10	\$1.10	\$1.10	\$1.10

*NTA is calculated as the Trust's net assets position attributable to Investors in the Pro Forma Financial Information in Section 9.2 divided by the corresponding indicated subscription amounts.

9.5 PRO FORMA CASH

Set out below is a reconciliation of the Pro Forma cash balance of the Trust following the allotment of Units under the Offer on the basis of the subscription amounts set out below.

	MINIMUM SUBSCRIPTION (\$150 MILLION)	SUBSCRIPTION AMOUNT OF \$300 MILLION	MAXIMUM SUBSCRIPTION (\$400 MILLION)	MAXIMUM SUBSCRIPTION WITH OVERSUBSCRIPTION (\$440 MILLION)
Proceeds of Offer	\$150 million	\$300 million	\$400 million	\$440 million
Estimated net cash position	\$150 million	\$300 million	\$400 million	\$440 million

9.6 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies that have been adopted in the preparation of the Pro Forma Financial Information set out in Section 9.2, and which will be adopted for the preparation of the financial statements of the Trust for each of its financial years, is set out as follows.

The Pro Forma Financial information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act.

Basis of measurement

The Pro Forma Financial Information has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Functional and presentation currency

The Pro Forma Financial Information is presented in Australian dollars, which is the Trust's functional currency.

Use of estimates

The preparation of the Pro Forma Financial Information requires management to make judgements, estimates and assumption that affect the application of policies and reported amount of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Financial instruments

Classification

The Trust's investments are classified at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss. These are investments in debt instruments, corporate loans and unlisted unit trusts.
- Derivatives. The Trust does not designate any derivatives as hedges in a hedging relationship.

Receivables and payables are classified as fair value through amortised cost.

These investments are managed and their performance is evaluated on a fair value basis.

Recognition/derecognition

The Trust recognises financial assets and liabilities on the date it becomes party to the purchase contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised on the date the Trust becomes party to the sale contractual agreement (trade date).

Measurement

At initial recognition, a financial asset or liability is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently all financial assets and liabilities are measured at fair value without any deduction for estimated future selling cost. Gains and losses arising from changes in the fair value measurement are included in profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement principles

The Trust classifies fair value measurement of its financial assets and liabilities using a fair value hierarchy model that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Net assets attributable to Unitholders – Equity

Units in the Trust are intended to be listed on the ASX. Following their listing the Units can be traded on the ASX for cash, subject to market liquidity. While the Trust is listed and liquidity is generally expected to exist in the secondary market, there are no guarantees that an active trading market with sufficient liquidity will be available. The units issued by the Trust have been classified as equity as the Trust satisfies all criteria for the classification of puttable financial instruments as equity under AASB 132 Financial Instruments: Presentation.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, margin accounts, other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

Receivables

Receivables include accrued income and are measured at their nominal amounts. Amounts are generally received within 30 days of being accrued for. Given the short-term nature of most receivables, the nominal amount approximates fair value.

Payables

Payables include accrued expenses are generally paid within 30 days of being accrued for. Given the short term nature of most payables, the nominal amount approximates fair value.

Investment income

Interest income for all financial instruments held at fair value through profit or loss is recognised in profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with above accounting policies.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Trust distributions are recognised on the ex-distribution date.

Other income is brought to account on an accruals basis.

Expenses

All expenses, including Responsible Entity's fees, are recognised in profit or loss on an accruals basis.

Income tax

The Trust expects to meet the eligibility requirements to qualify as an Attribution Managed Investment Trust (AMIT) for tax purposes and upon listing of the Trust on the ASX, the Responsible Entity will make the election to become an AMIT.

Under current legislation, the Trust will not be subject to income tax provided all of the taxable income of the Trust, including any taxable capital gains, are attributed to Unitholders on a fair and reasonable basis.

The benefit of any franking credits earned by the Trust will be passed on to Unitholders.

Goods and Services Tax (GST)

The Trust will be registered for GST. The issue or redemption of Units in the Trust will not be subject to GST. The Trust may be required to pay GST on management and other fees, charges, costs and expenses incurred by the Trust. However, the Trust may be entitled to input tax credits and RITCs in respect of the GST incurred.

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Distributions

The Responsible Entity intends to fully distribute the income (net of fees and expenses), including any taxable capital gains, generated by the Trust to Unitholders by way of cash or reinvestment into the Trust.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in profit or loss on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

SECTION 10: TAXATION INFORMATION

10.1 AUSTRALIAN TAXATION IMPLICATIONS

The commentary in this Section 10 is based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999 and the relevant stamp duties legislation as at the date of this PDS.

The following information provides a general overview of the Australian income tax issues you may wish to consider before making an investment in the Trust and relates only to Australian Unitholders who hold their Units on capital account. Different tax implications apply to non-resident Unitholders or Unitholders who hold their Units on revenue account.

The taxation implications for each Unitholder may vary depending on their particular circumstances. Accordingly, it is recommended that each Unitholder seek their own professional advice regarding the taxation implications of investing in the Trust.

Income tax position of the Trust

The Trust expects to meet the eligibility requirements to qualify as an AMIT and will elect into the AMIT regime.

Under the AMIT regime, each year, the Responsible Entity is required to breakdown the income (net of fees and expenses), including any taxable capital gains, into trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (for example, franking credit offsets).

The Responsible Entity will not be subject to income tax provided that all of the determined trust components are attributed to Unitholders on a fair and reasonable basis and in accordance with the Constitution and any other constituent documents of the Trust (which includes this PDS).

Fair and reasonable attribution

All determined trust components will be attributed to Unitholders on a 'fair and reasonable' basis in accordance with Trust's constituent documents (which includes the Constitution and this PDS).

Unders or Overs adjustments

Where the Trust's determined trust components for an income year are revised in a subsequent year (for example, due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise.

Unders and overs will generally be adjusted in the year they are discovered.

Cost base adjustments

Where the distribution(s) made to a Unitholder is less than, or more than, the trust components attributed to them, the cost base of their Units will need to be increased or decreased, as appropriate. Details of the trust components attributed to the Unitholder and any net cost base adjustment will be included on the annual tax statement, referred to as an AMIT Member Annual Statement (**AMMA Statement**) issued to Unitholders after the end of the financial year.

Losses

Where the Trust makes a loss for tax purposes, the Trust cannot distribute the tax loss to Unitholders. However, the tax loss may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

Taxation of Financial Arrangements (TOFA)

The TOFA rules may apply to financial arrangements held by the Trust when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Trust for tax purposes and will also treat relevant gains and losses as being on revenue account.

Income tax position of Australian resident Unitholders

A general outline of the tax implications for Australian resident Unitholders who hold their Units on capital account is set out below.

Distributions

Unitholders are subject to tax on the trust components attributed to them.

The trust components attributed to Unitholders will be shown on the AMMA Statement issued to them.

While the Responsible Entity intends to fully distribute the income (net of fees and expenses), including any taxable capital gains, generated by the Trust, there may be some variation compared to the determined trust components attributed to Unitholders in the AMMA Statement.

The trust components attributed to Unitholders' should be included in the assessable income in the year that the AMMA Statement relates to, even if distributions are received or reinvested after the end of the income year.

Since the Trust will elect into the AMIT regime, subject to the Commissioner determining otherwise, all Unitholders will be deemed to be a 'qualified person' in respect of any franking credits attributed to them. Accordingly, Unitholders will not need to apply the 45 day rule and will generally be entitled to claim the whole of any franking credits attributed to them from the Trust.

Capital gains

Capital gains distributed to Unitholders

Under current law, if the trust components attributed to a Unitholder includes an amount that consists of discounted capital gains, the Unitholder must first 'gross up' the discounted capital gain (by multiplying it by 2). Any capital losses which are available to the Unitholder can be applied to reduce the capital gains that have been attributed to them. If any loss is applied to reduce the discounted capital gain, any remaining amount (after application of capital losses) may be reduced by the CGT discount. The CGT discount percentage is 50% for individuals and trusts and 33 1/3% for complying superannuation funds (**Discount Percentage**).

Disposal of Units

The disposal of Units will be a taxing event for Unitholders.

Unitholders should derive a taxable capital gain where the capital proceeds received as a result of the disposal of their Units exceed the cost base of the Units disposed of. Likewise, Unitholders should generally incur a capital loss where the reduced cost base of the Units disposed of exceeds the capital proceeds.

Generally, the capital proceeds that are received from the disposal of the Units will be equal to the consideration received on disposal. The cost base of the Units will generally be equal to the amount paid in respect of the acquisition of the relevant Units plus any incidental costs, including brokerage, on the acquisition or disposal of the Units and any relevant net cost base adjustment detailed on the AMMA statement(s) issued to the Unitholder.

Where Unitholders (other than corporate Unitholders) have held their Units for 12 months prior to the disposal, the CGT discount may be available in relation to any capital gain resulting from the disposal. Where this concession applies, any discount capital gain will be reduced (after applying capital losses) by the Discount Percentage.

Goods and Services Tax

Unitholders should not be liable for GST in Australia in respect of the acquisition of Units under the Offer. Unitholders may not be entitled to input tax credits (**GST credits**) for GST incurred on costs associated with the acquisition of Units under the Offer, depending on their particular circumstances.

Stamp duty

Unitholders should not be liable to stamp duty in Australia in respect of the acquisition of Units under the Offer.

Tax File Number (TFN) and Australian Business Number (ABN)

The Trust will be an investment body covered by the TFN reporting rules and consequently, the Responsible Entity is required to obtain a TFN or ABN from its Unitholders. If a Unitholder is making the investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. It is not compulsory for a Unitholder to quote their TFN or ABN but without it, the Responsible Entity is required to withhold tax at the top marginal rate, plus levies, on gross payments including distributions to the Unitholder and any trust component attributed to a Unitholder in excess of the distributions paid to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

ATO Reporting

The Responsible Entity is required to lodge an Annual Investment Income Report (**AIIR**) for each income year to the ATO reporting attributions and certain other information relating to all Unitholders in the Trust. The information reported annually includes all transactions, distribution information and trust components attributed to the Unitholder.

FATCA and CRS

Foreign Account Tax Compliance Act (FATCA)

In compliance with the US income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to:

- Unitholders that are US citizens or residents
- entities controlled by US persons, and
- financial institutions that do not comply with FATCA.

The Trust is intending to conduct its appropriate due diligence (as required). Where the Trust's Unitholders do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO.

Common Reporting Standard (CRS)

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The Trust is intending to conduct its appropriate due diligence (as required) and undertake CRS reporting (as required).

10.2 NEW ZEALAND TAXATION IMPLICATIONS

Income tax position of New Zealand resident Unitholders

The commentary in this section 10.2 is based on the New Zealand Income Tax Act 2007 as at the date of this PDS. The commentary is intended to be a general summary of the New Zealand tax consequences for New Zealand resident Unitholders who hold less than 10% of the Units in the Trust. New Zealand resident Unitholders should seek their own professional advice regarding the taxation implications of investing in the Trust.

As the Trust is a unit trust, it is considered to be a company for New Zealand tax purposes.

New Zealand resident Unitholders will need to consider the foreign investment fund (FIF) rules to establish the New Zealand tax treatment that will apply to the Units they hold.

If a New Zealand resident Unitholder's Units are subject to the FIF rules, the Unitholder will be required to pay New Zealand tax on the unrealised gains they are deemed (under the FIF rules) to have obtained over the period they hold the Units. Any realised amounts they actually receive in relation to their Units (including ongoing distributions and proceeds from the sale of their Units) will not be separately taxed.

Many New Zealand resident Unitholders' Units are likely to be subject to the FIF rules. There are, however, various legislative exclusions that New Zealand resident Unitholders will need to read carefully.

Different tax rules will apply if a New Zealand resident Unitholder's Units are not subject to the FIF rules. If a New Zealand resident Unitholder's Units are not subject to the FIF rules (which may be the case, for example, if the Unitholder is a natural person whose total FIF interests cost NZ\$50,000 or less to acquire), then the Unitholder will generally be subject to New Zealand income tax on a realisation basis on:

- ongoing distributions they receive from the Trust;
- any gain they make on disposal of their Units, if they:
 - acquired the Units for the dominant purpose of disposal, and/or
 - are a dealer in assets such as the Units, and/or
 - acquired the Units as part of a profit making undertaking or scheme, and
- any amount they receive under a buyback of their Units, unless certain thresholds are met.

SECTION 11: MATERIAL CONTRACTS

The Responsible Entity considers that certain agreements are material to the Trust or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Units (**Material Agreements**).

The provisions of the Material Agreements are summarised below. As this section 11 only contains a summary, the provisions of each agreement are not fully described. To understand fully all rights and obligations pertaining to the Material Agreements, it would be necessary to read them in full.

11.1 INVESTMENT MANAGEMENT AGREEMENT (IMA)

The Responsible Entity has appointed the Manager to be the manager of the Trust and has entered into the IMA with the Manager.

A summary of the material terms of the IMA are set out below.

Services

Under the IMA the Manager has agreed to promote, administer, invest and manage the Portfolio and perform the services for, and on behalf of, the Responsible Entity in accordance with the terms of the IMA.

When managing the Portfolio in accordance with the IMA, the Manager is required to comply with the investment strategy of the Trust as described in this PDS, including to review the Portfolio at regular intervals to ensure that the Portfolio is managed in accordance with the Investment Strategy.

The other services to be provided by the Manager under the IMA include, but are not limited to:

- a) complying with any reasonable written requests for documents or information relating to the Trust or Portfolio from any auditor appointed by the Responsible Entity or the Manager in relation to the Trust,
- b) assisting the Responsible Entity to prepare a distribution policy and standing principles for calculating distributions in respect of the Trust and to support the Responsible Entity to review these payments,
- c) assisting the Responsible Entity to comply with its continuous disclosure obligations under the Corporations Act and the Listing Rules, and
- d) assisting in the resolution of any complaints by, or disputes with, Investors.

The Manager must act in the best interests of Investors in the Trust.

The Manager may request the Responsible Entity to retire as responsible entity of the Trust. If the Responsible Entity receives this request it will retire as soon as reasonably practicable if it considers it appropriate with its duties under the Constitution, relevant law and other applicable law and be replaced in accordance with the Corporations Act. Under the Corporations Act, Unitholders are entitled to vote on the appointment of the new responsible entity. This is to ensure the Trust remains to be cost effective through the appointment of the most appropriate responsible entity.

Delegation

The Manager must not delegate its duties, responsibilities, functions and powers under the IMA to an agent without the prior written consent of the Responsible Entity. The Manager also must not appoint a broker to act in relation to the Trust other than one that appears on an approved list previously agreed between the Manager and the Responsible Entity without the prior written consent of the Responsible Entity.

Fees

In return for the performance of its duties under the IMA, the Manager is entitled to be paid a management fee of up to 0.72% per annum (inclusive of the net effect of GST) of the NTA of the Trust, accrued daily and payable monthly in arrears (**Manager Fee**).

Term

The initial term of the IMA will be 10 years commencing on the date the Responsible Entity issues Units pursuant to the Offer, unless terminated earlier in accordance with its terms (**Initial Term**).

At the end of the Initial Term, the IMA will be automatically extended for a further term of 5 years (**Extended Term**), and at the end of each Extended Term the IMA will be automatically renewed for a further Extended Term.

Termination Rights

The Responsible Entity may at any time terminate the IMA, effective immediately if:

- a) any of the following events (**Default Event**) occurs in relation to the Manager:
 - (i) a receiver, receiver and manager, administrator or similar person is appointed to the Manager
 - (ii) the Manager goes into liquidation
 - (iii) the Manager is placed under official management or an administrator is appointed to its affairs
 - (iv) the Manager ceases to carry on business in relation to its activities as a manager, or
 - (v) the Manager breaches the IMA and fails to correct such breach within a reasonable period specified by the Responsible Entity in a notice to do so
- b) the Responsible Entity is required to do so at any time or considers it reasonably necessary to do so to comply with its duties and relevant law, or
- c) the Trust is terminated in accordance with the Constitution or the Corporations Act.

The Responsible Entity must also terminate the IMA on three months written notice to the Manager, if after the expiry of the Initial Term an ordinary resolution (50% of votes cast) is passed by Investors directing the Responsible Entity to terminate the appointment of the Manager in respect of the Trust.

The Manager may also terminate the IMA if:

- a) at any time it gives at least 6 months' written notice to the Responsible Entity (or such lesser period of notice as the Responsible Entity agrees, provided that the lesser period must be at least 3 months), or
- b) with immediate effect by giving written notice to the Responsible Entity if:
 - (i) the Responsible Entity ceases to be the responsible entity of the Trust, or
 - (ii) a Default Event occurs in relation to the Responsible Entity.

Termination Payment

Except where the IMA is terminated by the Responsible Entity for cause or if the Manager terminates its appointment for convenience, the Manager is entitled to a termination payment at the termination date in the following situations:

- during the Initial Term, equal to Establishment Costs and the Manager Fees for the Initial Term calculated based on the value of the Portfolio as at the termination date reduced by one one hundred and twentieth (1/120) for each whole calendar month that has elapsed between the date the Responsible Entity has issued units pursuant to the Offer and the termination date
- during an Extended Term, equal to the Manager Fees for the Extended Term calculated based on the value of the Portfolio as at the termination date reduced by one sixtieth (1/60) for each whole calendar month that has elapsed between the commencement of the Extended Term and the termination date.

Manager Indemnity

The Responsible Entity must indemnify the Manager against any direct losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, the Manager or any of its officers or agents properly acting under the IMA except to the extent that any direct losses or liabilities is caused by the negligence, fraud, default or dishonesty, of the Manager or any of its officers, employees or agents, the Manager's breach of the IMA, the Manager fails to meet the standard of care set out in the IMA, or any act or omission of the Manager or any of its officers, employees or agents that causes

the Responsible Entity to be liable to Investors for which the Responsible Entity has no right of indemnity from the Trust.

Responsible Entity Indemnity

The Manager must indemnify the Responsible Entity against any direct loss or liability reasonably incurred by the Responsible Entity and the Trust arising out of, or in connection with, any negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or agents, the Manager's breach of the IMA, the Manager fails to meet the standard of care set out in the IMA, or any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Investors for which the Responsible Entity has no right of indemnity from the Trust.

Expenses

The Responsible Entity must reimburse the Manager from the assets of the Trust all taxes, costs, charges and expenses reasonably and properly incurred by the Manager in performing the services under the IMA.

Amendment

The IMA may be amended by the written agreement of the Responsible Entity and the Manager.

11.2 UNIT SALE AGREEMENT

The Responsible Entity and Perpetual Limited have entered into a Unit Sale Agreement in relation to the sale of Perpetual Limited's entire unit holding in the Perpetual Loan Fund (PLF Units) to the Trust.

A summary of the material terms of the Unit Sale Agreement is set out below.

- Under the Unit Sale Agreement the Trust has agreed to buy all of the PLF Units from Perpetual Limited.
- The purchase price to be paid by the Trust for each PLF Unit will be the per unit net asset value of the Perpetual Loan Fund (as determined by the responsible entity of the Perpetual Loan Fund in accordance with its constitution) on the completion date.
- The completion of the sale and purchase of PLF Units is conditional on the issue of the Units under the Offer on 8 May 2019 (**Condition**). The Condition cannot be waived by either party. If the Condition is not fulfilled either party may terminate the agreement by giving notice in writing to the other party.
- Completion of the sale of the PLF Units is expected to occur after the allotment of Units under the Offer and prior to listing.

11.3 OFFER MANAGEMENT AGREEMENT

The Responsible Entity and the Manager have entered into an Offer Management Agreement with the Joint Lead Managers with respect to management of the Offer. Under the Offer Management Agreement, the Joint Lead Managers have agreed to, among other things, use their best endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement are set out below.

Fees and expenses

The Joint Lead Managers will be entitled to the following fees set out in the Offer Management Agreement if the Minimum Subscription is received under the Offer:

- an arranger fee of 0.3% (plus GST) of the total amount raised under the Offer, payable to the Joint Lead Arrangers in their respective proportions;
- a management fee to the Joint Lead Managers of:
 - 0.75% (plus GST) of the lesser of \$225 million or the combined proceeds of the General Offer, the Cornerstone Offer and the Broker Firm Offer, to be paid to the Joint Lead Managers in their respective proportions; and
 - 0.75% (plus GST) of the amount by which the combined proceeds of the General Offer, the Cornerstone Offer and the Broker Firm Offer exceeds \$225 million, payable to the Joint Lead Managers in the proportions specified in the Offer Management Agreement;
- a broker firm fee to each Joint Lead Manager of 1.25% (plus GST) of the proceeds of the subscriptions for the Units allocated the Joint Lead Managers and their affiliates under the Offer Management Agreement; and
- a cornerstone fee of 0.25% (plus GST) of the total amount raised under the Cornerstone Offer, in the proportions specified by National Australia Bank Limited in writing on behalf of the Joint Lead Managers.

The Joint Lead Managers will be reimbursed by the Manager for all reasonable costs, charges or expenses incurred by the Joint Lead Managers in connection with the Offer Management Agreement or the Offer.

Warranties and representations

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Responsible Entity's compliance with the Corporations Act and the Listing Rules in relation to making the Offer.

The Responsible Entity and Manager give a number of further representations and warranties, including (in the case of the Responsible Entity) that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary in order to make the statements therein not misleading.

Indemnity by the Responsible Entity and Manager

Subject to certain exclusions such as fraud, wilful misconduct, recklessness or gross negligence, the Responsible Entity and Manager agree to indemnify the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Joint Lead Managers pursuant to the Offer Management Agreement.

Termination events

There are a number of customary and usual termination events under the Offer Management Agreement in relation to certain matters, including (without limitation):

- the non-compliance of this PDS with the requirements of the Corporations Act, the Listing Rules or any other applicable law or regulation;
- certain regulatory actions being taken by ASIC in relation to the Offer;
- ASX declining to grant approval for the Trust's admission to the official list of ASX or the official quotation of the Units in the Trust on ASX; and
- an insolvency event occurring in relation to the Responsible Entity or the Manager.

In addition, there are also a number of termination events under the Offer Management Agreement which are subject to materiality, such that a Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager if in the reasonable opinion of that Joint Lead Manager the event:

- has, or is likely to have, a material adverse effect on the marketing, outcome, success or settlement of the Offer, the ability of the Joint Lead Manager to market, promote or settle the Offer, the willingness of investors to subscribe for the Units under the Offer or the likely price at which the Units will trade on ASX; or
- leads, or is likely to lead, to a contravention by a Joint Lead Manager of the Corporations Act or any other applicable law, or to a liability for a Joint Lead Manager under the Corporations Act or any other applicable law.

Termination events under the Offer Management Agreement that are subject to materiality include (without limitation):

- a breach by the Responsible Entity or the Manager of the Offer Management Agreement;
- disruption in financial markets, including a general moratorium on commercial banking activities in Australia or certain other jurisdictions, a material suspension of trading in all securities quoted or listed on ASX or certain other securities exchanges; and
- hostilities arising between certain nations listed in the Offer Management Agreement, or a major terrorist attack occurring in one of those nations.

SECTION 12: ADDITIONAL INFORMATION

12.1 SUMMARY OF THE CONSTITUTION

The operation of the Trust is governed by the Corporations Act, other applicable laws, the Listing Rules, and the Trust's Constitution.

A summary of the key provisions of the Constitution is set out below. The Constitution is lengthy and complex, and the summary below is not exhaustive and does not constitute a definitive statement of its terms or of the rights and liabilities of Unitholders. Investors in the Trust will be taken to agree to be bound by the terms of the Constitution as well as this PDS and any Application Form. Prospective Applicants are encouraged to consider the Constitution before making an investment in the Trust.

A copy of the Constitution may be inspected at the Responsible Entity's head office or will be provided free of charge by the Responsible Entity on request.

Units

The beneficial interest in the Trust is divided into Units. Each Unit confers on its Unitholder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to the Trust's liabilities, not in parts of or single assets. A Unit does not confer any rights over the management of the Trust. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit.

Applicants will be issued with Units under the Offer.

No redemption of Units

While the Trust is listed on ASX, Units are not able to be redeemed. However, the Responsible Entity may undertake a buyback of Units which satisfies the requirements of the Corporations Act and the Listing Rules. Any Units acquired by the Responsible Entity under a buyback will be immediately cancelled, as required by the Corporations Act.

Issue of Units

The Responsible Entity may issue new Units in accordance with and subject to the terms of the Constitution, including by way of placement, rights issue, Unit purchase plan, distribution reinvestment plan or consideration for a takeover. No Units may be issued after the 80th anniversary of the commencement date of the Trust. The Constitution gives the Responsible Entity the discretion to determine the issue price in relation to Units where permitted by the Listing Rules and any applicable ASIC relief. The Responsible Entity has policies and procedures that it will follow when exercising any discretion it has in relation to unit pricing, and a copy of this documentation will be provided by the Responsible Entity on request at no charge.

Liability of Unitholders

The Constitution states that a Unitholder's liability is limited to the amount the Unitholder subscribed or agreed to subscribe for their Units, but Applicants should be aware that the courts are yet to determine the effectiveness of provisions of this kind.

The Responsible Entity's powers and duties

The Responsible Entity has all the power in respect of the Trust that is legally possible for a natural person, corporation or trustee to have as if it were the absolute and beneficial owner of the Trust's assets. The Responsible Entity may invest in, dispose of or otherwise deal with assets, borrow or raise money, incur liabilities and obligations of any kind, grant a security interest over the Trust's assets, enter into underwriting arrangements, and mix and mingle the Trust's assets with other co-investors. The Responsible Entity may also delegate its powers to another person, including a related party or an Associate.

The Responsible Entity's remuneration and recovery of expenses

The Constitution provides that the Responsible Entity is entitled to charge the fees summarised in section 6 of this PDS. All costs, charges, expenses and outgoings reasonably and properly incurred by the Responsible Entity in the proper performance of its duties may be payable or reimbursable out of the Trust's assets and, if appropriate, such expenses may be referable to a particular class of Unitholders.

The Responsible Entity's indemnity

Where the Responsible Entity acts without fraud, negligence or breach of trust, the Responsible Entity is indemnified out of the Trust's assets for any liability (including tax liability) properly incurred by it or through an agent, manager, adviser or delegate in relation to the Trust. This indemnity is in addition to any indemnity under law.

Removal and retirement of the Responsible Entity

Unitholders do not have a right to remove the Responsible Entity as the responsible entity of the Trust other than the right granted by the Corporations Act. Subject to the Listing Rules, the Responsible Entity may retire in accordance with the Corporations Act and must retire when required under the Corporations Act.

Duration of the Trust

The Trust commences when the first investor or investors are issued Units and will continue until terminated, subject to the Corporations Act and Listing Rules (as applicable):

- as required by the operation of law, or
- by the Responsible Entity on a date specified in a notice given to Unitholders.

On termination of the Trust, the Responsible Entity must distribute the net proceeds from the realisation of the Trust's assets among the Unitholders in proportion to the number of Units they hold on the termination date or, if there is more than one class, the net proceeds referable to a class are distributed among the Unitholders in proportion to the number of Units they hold in that class on the termination date. Any proper expenses of termination and winding up will be deducted from the net proceeds of realisation before being distributed to Unitholders.

Amendments to Constitution

The Responsible Entity may alter the Constitution if it reasonably considers the amendments will not adversely affect Unitholders' rights. Otherwise, the Responsible

Entity must obtain Unitholders' approval to a special resolution at a meeting of Unitholders. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

Unitholder meetings and voting

Unitholder meetings are to be held in accordance with the Constitution and the Corporations Act. The Responsible Entity may convene and conduct a meeting at any time and must do so if required under the Corporations Act. Unitholders' rights to requisition a meeting are contained in the Corporations Act. Votes are by show of hands, unless a poll is validly demanded or required under the Corporations Act.

Proportional takeover bid

The Constitution sets out the process required for a person to obtain approval from Unitholders for a proportional takeover bid. Transfers of Units resulting from a Unitholder accepting an offer under a proportional takeover bid will be prohibited unless this process is followed.

Small holdings

In certain circumstances, the Responsible Entity may sell any Units held by a Unitholder which comprise less than a marketable parcel as provided in the Listing Rules. This is to avoid the administrative cost and inconvenience of maintaining a register of multiple small holdings.

12.2 COMPLIANCE PLAN

The Responsible Entity has prepared and lodged a compliance plan for the Trust with ASIC. The compliance plan sets out how the Responsible Entity will ensure compliance with the Corporations Act, the Constitution and the Listing Rules when operating the Trust.

12.3 INTERESTS OF RESPONSIBLE ENTITY DIRECTORS

No Director or proposed Director of the Responsible Entity holds at the date of this PDS, or held at any time during the last two years before the date of lodgement of this PDS with ASIC, any interest in:

- the formation or promotion of the Fund, or
- Units in the Fund.

No amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- to a Director or proposed Director of the Responsible Entity to induce him or her to become, or to qualify as, a Director, or

- for services provided by a Director or proposed Director in connection with the formation or promotion of the Fund or in connection with the issue of Units.

12.4 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 45 days after 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. AFCA's postal address is GPO Box 3, Melbourne, Victoria 3001, their email is info@afca.org.au and the toll free number is 1800 931 678. More information about AFCA is available from their website (www.afca.org.au).

12.5 RELATED PARTY INTERESTS

Related party transactions

Transactions between the Responsible Entity and its related entities in relation to the Trust are set out in this PDS. Otherwise, there are no existing agreements or arrangements, or currently proposed transactions in which the Responsible Entity was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

The Investment Management Agreement, the Unit Sale Agreement and other material contracts have been entered into on terms that are similar to those the Responsible Entity would have negotiated with an unrelated party. A summary of the key terms of the Investment Management Agreement and the Unit Sale Agreement is set out in section 11 of this PDS.

The Responsible Entity and the Manager are related entities, as they are both wholly owned subsidiaries of Perpetual Limited. The roles of each of the Responsible Entity and the Manager are set out in sections 3 and 4 of this PDS. Given their relationship, conflicts of interest may arise when they are performing their duties in relation to the Trust.

Conflict of interests policies, procedures and duties

The Perpetual Group, including Perpetual Limited, the Responsible Entity and the Manager have in place governance frameworks, group policies and divisional procedures to ensure conflicts are identified and managed appropriately.

These conflict policies are aimed at ensuring that conflicts involving individuals or related entities in the Perpetual Group are identified, reported, assessed and managed in a timely and appropriate manner in order to uphold the best interests of clients, members and shareholders. This ensures that Perpetual Limited and its related entities are adopting and promoting a culture of awareness and effective management of conflicts of interests when carrying out its operations.

A key conflict policy for the Trust is the Manager's 'Asset Management Principles and Guidelines' which includes measures designed to ensure, amongst other things, that there is fair and equitable treatment of all funds managed by the Manager and the Investment Team gives priority to the interests of investors over their personal interests and the interests of Perpetual Limited itself.

As part of the management of conflicts, Perpetual Limited maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and service provider to multiple entities, and how these conflicts are to be managed. When such a conflict is identified, the register provides for certain controls to be utilised in order to manage this conflict. Examples of controls include engaging on 'arm's length' or third party terms, use of information barriers and compliance plans.

Additionally, the Responsible Entity and the Manager have duties under the Corporations Act, as the responsible entities of the Trust and the Perpetual Loan Fund respectively, which are registered managed investment schemes. These duties require the Responsible Entity and the Manager to act in the best interest of their respective members, and where there is conflict between their members' interests and their own to give priority to their members. The Responsible Entity and the Manager must follow these duties when making decisions about, and managing any potential conflicts of, the Trust and the Perpetual Loan Fund respectively.

Management structures and decisions

Other measures include a segregation in the decision making process with the Responsible Entity and the Manager each having their own boards of directors and executive teams.

The Responsible Entity's board sets objectives and goals for the operation of the Responsible Entity and the Trust, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the Trust as a whole. The Responsible Entity's board is ultimately accountable to the Unitholders.

The Manager's board has delegated its oversight and review of investment risks to the Investment Review Committee (IRC). The IRC assists the Manager to monitor the investment activities of all the funds for which it acts as either responsible entity or trustee and manager, such as the Perpetual Loan Fund or portfolios for which it acts as manager, such as the Trust. The IRC is responsible for overseeing the investment governance policy framework, formulating, reviewing, implementing and monitoring compliance with the investment objectives, strategies, limits and guidelines for each fund and investment and monitoring investment performance. The IRC comprises members of the Manager's executive team and a Perpetual Limited risk representative. This committee will submit reports and its recommendations to the Manager's board.

Investment Management Agreement

Under the Investment Management Agreement, the Manager is to provide the Responsible Entity with regular reports on the Trust's investments and the performance of the Trust. These reporting requirements also include the Manager providing quarterly compliance certificates confirming that for the applicable reporting period it had adequate compliance measures in place, including conflicts of interest policies and risk management systems.

This information will enable the Responsible Entity to determine whether the Manager has followed all appropriate processes and controls in assessing and reviewing the investments of the Trust and whether any conflicts of interest or related party aspects of these investments have been adequately identified and assessed in accordance with Perpetual's conflicts policies and other applicable procedures and processes.

Unit Sale Agreement

The Unit Sale Agreement provides for Perpetual Limited to sell its entire unit holding in the Perpetual Loan Fund to the Trust. This sale will be conducted on market terms between the Perpetual entities with the units sold at a price equal to the per unit net asset value of the Perpetual Loan Fund (as determined by the responsible entity of the Perpetual Loan Fund in accordance with its constitution) on the completion date. Further details of the Unit Sale Agreement are set out in section 11.2.

Perpetual Loan Fund

This PDS sets out the intention of the Trust to invest in the Perpetual Loan Fund. The responsible entity of the Perpetual Loan Fund is Perpetual Investments, the Manager, and the investors of the Perpetual Loan Fund are other funds managed by Perpetual Investments.

Given that the responsible entity of the Perpetual Loan Fund and the Manager of the Trust is Perpetual Investments, it may face conflicts of interest in acting in each of these roles.

To manage these potential conflicts of interests, Perpetual Investments:

- has investment trading guidelines aimed at ensuring all funds it manages are treated equitably. For example, if there is only limited availability of a particular asset that is sought by a number of funds managed by Perpetual Investments, one or more of the funds cannot receive priority access to that asset; and
- has a policy to govern the process it will follow for applications and redemption of units in the Perpetual Loan Fund. For redemptions when the Perpetual Loan Fund is illiquid, the policy requires that all investors in the Perpetual Loan Fund will be offered the ability to withdraw from this fund and that this process comply with the requirements set out in the Corporations Act. Further details of the Perpetual Loan Fund are set out in section 3.6.

Additionally Perpetual Investments is required to follow the Perpetual Group's policies and procedures described above.

Compliance with these various policies, procedures and guidelines is overseen by Perpetual's Audit and Risk Committee.

12.6 CONSENTS

Each of the persons listed in the table below:

- has consented in writing to (and has not, before the date of lodgement of this PDS with ASIC, withdrawn its consent to):
 - be named in this PDS in the form and context in which it is named; and
 - (in the case of the Manager) to the extent that the PDS contains statements by the Manager or includes statements based on any statement of or information provided by the Manager, each such statement being included in this PDS in the form and context in which it appears;
- has not caused or authorised the issue of this PDS;

- has not made any statement in this PDS or any statement on which a statement in this PDS is based (except, in the case of the Manager, to the extent of the statements included in this PDS with the Manager's consent as described above); and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this PDS, other than references to their name (and, in the case of the Manager, the statements included in this PDS with the Manager's consent as described above).

NAME	ROLE
Perpetual Investment Management Limited	Manager
Commonwealth Securities Limited	Lead Arrangers and Joint Lead Managers
Morgans Financial Limited	
National Australia Bank Limited	
Bell Potter Securities Limited Ord Minnett Limited Shaw and Partners Limited	Co-Managers
MinterEllison	Solicitors to the Offer
RBC Investor Services Trust	Custodian and Administrator
Automic Pty Limited	Unit Registry

12.7 LEGAL PROCEEDINGS

The Trust is not engaged in any litigation at the date of this PDS, and as far as the Responsible Entity is aware, no litigation involving the Trust is pending or threatened.

12.8 ASIC RELIEF

ASIC has granted relief under:

- section 1020F of the Corporations Act from section 1017E(4) of the Corporations Act to allow the Responsible Entity to issue units under the Offer on the dates set out in the Key Offer Details section of this PDS. This relief will extend the time during which the Responsible Entity is permitted to hold Application Amounts received under the Offer to a period of up to 60 days, and
- section 601QA(1)(b) of the Corporations Act to permit the Responsible Entity to determine the issue price of Units at a price equal to NTA per Unit where the NTA per Unit is greater than or equal to the market price of the Units on ASX.

12.9 ASX WAIVERS AND CONFIRMATIONS

In connection with listing of the Trust on ASX, the Responsible Entity has sought certain in-principle confirmations and waivers from ASX (which ASX has indicated that it is likely to grant) including the following:

- confirmation that the Trust's structure and operations are appropriate for a listed entity for the purposes of ASX Listing Rule 1.1. (condition 1); and
- waivers from ASX Listing Rule 15.16 to the extent necessary to permit the Manager to act as the investment manager of the Portfolio for an initial period of up to 10 years from the issue of units pursuant to the Offer, such that the Responsible Entity may end the IMA on 3 months' notice after Unitholders pass an ordinary resolution to end the IMA after the initial 10 year term.

12.10 ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**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 an Investor's identity and the source of their application monies before providing services to them, and to re-identify them if they consider it necessary to do so, and
- Where an Investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Responsible Entity and the Unit Registry as its agent (collectively, the Entities) reserve the right to request such information as is necessary to verify 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 Investors 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 Trust, and
- the Responsible Entity or Administrator may from time to time require additional information from Investors 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 an Investor may suffer as a result of their compliance with the AML Requirements.

12.11 PRIVACY

The Responsible Entity may collect personal information from you when you contact it and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the *Privacy Act 1988* (Cth) and provide information to relevant government agencies in accordance with those laws. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

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

- the kinds of personal information the Responsible Entity collects and holds
- how the Responsible Entity collects and holds personal information
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information

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

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

The Manager may also collect, use and disclose your personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's privacy policy will be publicly available at www.perpetual.com.au.

12.12 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Units to be issued are a suitable investment for you. There are general risks associated with any investment in the financial markets. The value of securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Trust.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, financial adviser, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors.

12.13 GOVERNING LAW

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.14 STATEMENT OF DIRECTORS

The Directors of the Responsible Entity believe that, on completion of the Offer, the Trust will have sufficient working capital to carry out its objectives as stated in this PDS.

DEFINED TERMS

TERM	MEANING
\$AUD	Dollars of the currency of Australia, and all amounts in this PDS are in Australian dollars unless otherwise stated.
AASB139	Australian Accounting Standards Board Standard 139 Financial Instruments: Recognition and Measurement.
AASB	Australian Accounting Standards Board.
AAS	Australian Accounting Standards.
ABN	Australian Business Number.
Administrator	RBC Investor Services Trust.
AFCA	Australian Financial Complaints Authority.
AFSL	Australian Financial Services Licence.
Allotment Date	The date on which the Units are allocated under the Offer.
AMIT	Attributed Managed Investment Trust.
AML Requirements	The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity.
APP	Australian Privacy Principles.
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this PDS.
Application	An application for Units under this PDS.
Application Amount	Money submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying or provided with this PDS for investors to apply for Units under the Offer.
ASIC	Australian Securities & Investments Commission.
Associate	Has the meaning given to that term in the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates (Australian Securities Exchange), as the context requires.
AUSTRAC	The Australian Transaction Reports and Analysis Centre.

TERM	MEANING
Broker Firm Offer	The broker firm offer described in Section 5.1.
Board	The board of Directors of the Responsible Entity.
Closing Date	The date that the Offer closes, which is 18 April 2019.
Co-Managers	Bell Potter Securities Limited ACN 006 390 772 AFSL243480; Ord Minnett Limited ACN 002 733 048 AFSL 237121; and Shaw and Partners Limited ACN 003 221 583 AFSL 236048, individually a co-manager.
CommSec	Commonwealth Securities Limited ACN 067 254 399, AFSL 238814.
Constitution	The constitution of the Trust.
Cornerstone Offer	The cornerstone offer described in section 5.1.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Custodian	RBC Investor Services Trust.
Custodian Agreement	The agreement between the Trust and the Custodian.
Directors	The directors (including any alternate directors) of the Responsible Entity as at the date of this PDS.
Distribution Reinvestment Plan	A plan that will provide Investors the option to re-invest the Trust's distributions.
Establishment Costs	All of the costs incurred by the Manager in establishing the Trust and raising capital under this PDS including all legal, advisory, broker, joint lead manager, registry, ASIC, ASX, printing, postage and all other expenses.
Exposure Period	The seven day period after the date of lodgement of the PDS with ASIC (as extended by ASIC (if applicable)).
General Offer	The general offer described in section 5.1.
GST	Goods and Services Tax.
Institutional Applicant	An Applicant to whom offers or invitations in respect of Units can be made without the need for a lodged public disclosure statement (or other formality, other than a formality which the Trust is willing to comply with) and excluding a retail client within the meaning of section 761G of the Corporations Act.
Investment Management Agreement or IMA	The agreement between the Responsible Entity and the Manager, a summary of which is included in section 11.1.
Investment Objective	The objectives that the Trust seeks to achieve through its investments.
Investment Strategy	The investment strategy of the Trust, as set out in section 3.3.
Investment Team	The team that is responsible for all investment decisions of the Perpetual Credit Income Trust and Perpetual's Credit and Fixed Income Funds and consists of Michael Korber, Anne Moal, Vivek Prabhu, Greg Stock, Thomas Choi, Carol Yuan, JP Bae and Michael Murphy.
Investor	A registered holder of a Unit. Also called a Unitholder.
Joint Lead Managers or JLM	CommSec, Morgans and NAB, individually a Joint Lead Manager.
Listing Rules	The official Listing Rules of the ASX as amended or waived from time to time.
Manager	Perpetual Investment Management Limited ACN 000 866 535, AFSL 234426.
Maximum Subscription	The maximum amount being sought by the Trust under the Offer, before any Oversubscriptions, being \$400,000,000.
Minimum Subscription	The minimum amount being sought by the Trust under the Offer, being \$150,000,000.

TERM	MEANING
Morgans	Morgans Financial Limited ACN 010 669 726, AFSL 235410.
NAB or National Australia Bank	National Australia Bank Limited ACN 004 044 937, AFSL 230686.
Net Tangible Assets or NTA	The net tangible assets for the Trust calculated in accordance with section 3.10.
New Zealand Unitholder	New Zealand tax resident Investors.
Offer	The offer of Units to raise up to \$400,000,000 with the right to accept oversubscriptions of up to 40,000,000.
Offer Information Line	A dedicated information line for the Trust provided by the Unit Registry, Automic Pty Limited, 1300 778 468 within Australia or +61 (2) 9299 9621 outside Australia.
Offer Period	The period during which investors may subscribe for Units under the Offer.
Opening Date	The date that the Offer opens, which is 25 March 2019.
Oversubscriptions	The Responsible Entity reserves the right to accept oversubscriptions in excess of the Maximum Subscription.
PDS	This product disclosure statement, dated 8 March 2019, for the issue of Units to raise up to \$400 million with the right to accept Oversubscriptions of up to \$40 million.
Perpetual	Perpetual Limited ABN 86 000 431 827, ASX:PPT.
Perpetual Group	Perpetual Limited and its related bodies corporate (as that term is defined in the Corporations Act).
Portfolio	Portfolio means the portfolio of assets of the Trust from time-to-time.
Portfolio Manager	The person responsible for the investment decisions of the Trust, which at the date of this PDS is Michael Korber.
RBA Cash Rate	The interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis as published by the Reserve Bank of Australia.
Responsible Entity	Perpetual Trust Services Limited ACN 000 142 049; AFSL 236648.
Retail Applicant	An Applicant who is not an Institutional Applicant.
RITC	Reduced input tax credits.
Shareholder Priority Offer	The shareholder priority offer described in section 5.1.
Subscription Price	The amount payable by Applicants to the Trust for the issue of Units under the Offer being \$1.10 per Unit.
Trust	Perpetual Credit Income Trust (ARSN 626 053 496).
Unit	An ordinary unit in the Trust.
Unitholder	A registered holder of a Unit. Also called an Investor.
Unit Registry	Automic Pty Limited.

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5. TFN/ABN/Exemption Code

Applicant 1

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Applicant 2

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Applicant 3

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If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

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6. Direct Crediting Payment Instructions

Provide your account details below to receive all payments by electronic funds transfer ("EFT").



PLEASE NOTE: Distribution payments will be made by EFT only to Australian resident investors that hold an account with an Australian bank. Overseas registered investors may also provide EFT instructions if they hold an account with an Australian bank.

BSB

--	--	--

-

--	--	--

Account Number

--	--	--	--	--	--	--	--	--	--



DO NOT USE YOUR CARD NUMBER
If you are unsure of your BSB or account number, please check with your bank, building society or credit union

Name in which the account is held (e.g. John Smith)

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7. Tax Status Declaration – Residency Certification (FATCA/CRS)

Please mark the box below for the option which describes the type of applicant(s) for tax purposes:

<input type="checkbox"/>	1. An individual, joint individuals or individuals holding accounts on behalf of other individuals (such as a parent opening an account on behalf of a child) where all parties are solely Australian tax residents*	NO FURTHER ACTION
<input type="checkbox"/>	2. An Australian regulated superannuation fund (including an SMSF), retirement or pension fund	NO FURTHER ACTION
<input type="checkbox"/>	3. A deceased estate	NO FURTHER ACTION
<input type="checkbox"/>	4. A public listed company or a majority owned subsidiary of a public listed company	NO FURTHER ACTION
<input type="checkbox"/>	5. An exempt beneficial owner such as an Australian governmental organisation or agency, Reserve Bank of Australia or an international including intergovernmental organisation	NO FURTHER ACTION
<input type="checkbox"/>	6. An individual, joint individuals or individuals holding accounts on behalf of other individuals (such as a parent opening an account on behalf of a child) where any of the parties are tax residents of countries other than Australia (including any US citizens)	ADDITIONAL INFORMATION REQUIRED**
<input type="checkbox"/>	7. An entity that is not one of the entity types described above	ADDITIONAL INFORMATION REQUIRED**

*Tax residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the current location of the person's residence or place of work. For the United States (US), tax residency is also attributed to all US citizens, regardless of where they live or work.

**** You will need to provide additional information to complete FACTA/CRS certification. Please complete the separate FACTA/CRS form available in this PDS and attach to this application.**

Further FATCA/CRS Explanatory Information: Australia is a participant in the Automatic Exchange of Information (AEOI) regime concerning the automatic exchange of financial account information with foreign jurisdictions. The regime aims to address tax evasion at a global level. The relevant laws are the Foreign Account Tax Compliance Act (FATCA) in the case of exchange by Australia with the United States of America (U.S.) and the Common Reporting Standard (Standard) in the case of exchange by Australia with other countries that have implemented the Standard. The Standard commenced operation in Australia on 1 July 2017.

Further information about this regime is available at the website URL shown below:

<https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/Automatic-exchange-of-information---CRS-and-FATCA/>

As a result of Australia's participation in the regime applicants must certify their country of tax residency. Where required the information will be reported to the Australian Taxation Office (ATO) which will report to various global tax authorities.



IMPORTANT NOTE: Applicants who do not provide the above information may be treated as Non-Australian taxpayers and be reported accordingly to the ATO.

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the *Corporation Act 2001* (cth) requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PDS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Units in Perpetual Credit Income Trust (ARSN 626 053 496) ("Trust"), made under the terms set out in the Product Disclosure Statement dated 8 March 2019 ("PDS").

Capitalised terms not otherwise defined in this document have the meaning given to them in the PDS. The PDS contains important information relevant to your decision to invest and you should read the entire PDS before applying for Units. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the PDS and any supplementary PDS (if applicable). You can obtain paper copies of the PDS, and any supplementary PDS (if applicable) and an Application Form, on request and without charge by contacting the offer information line.

- Units Applied For & Payment Amount** - Enter the number of Units you wish to apply for. Your Application must be for a minimum of 2,000 Units (A\$2,200) and thereafter in multiples of 500 Units (or amounts of \$550). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Units applied for by the offer price, which is A\$1.10 per unit.
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Units. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Responsible Entity. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 7:00pm (Sydney time) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold units allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment your holding will be recorded on the Trust's issuer sponsored subregister and a "Securityholder Reference Number" ("SRN") will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number ("TFN"), ABN or Exemption registered against your holding, please enter the details. Collection of

TFNs is authorised by taxation laws but providing it is not compulsory and failing to provide it will not affect your Application.

- Direct Crediting Payment Instructions** - Please provide your electronic funds transfer ("EFT") instructions for all payments to be made to you in relation to the Trust, so that they can be directly paid to your bank account. Please note: distribution payments will be made by EFT only to investors that hold an account with an Australian bank.
- Tax Status Declaration – Residency Certification (FATCA/CRS)** - You are required to declare the tax status of all applicants. Please mark the box which corresponds to the correct status of the investor(s).
- Payment** - Payments for applications made through this application form can only be made by cheque, bank draft or money order. Payment can be made by both BPAY and EFT but only by making an online application, which can be accessed by following the web address provided on the front of the application form. Do not forward cash with this Application Form as it will not be accepted.

Your cheque or bank draft must be made payable to "Perpetual Credit Income Trust" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques or bank drafts will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque, bank draft or money order is dishonoured.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the PDS, either in printed or electronic form and have read the PDS in full;
- Have completed this Application Form in accordance with the instructions on the form and in the PDS;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- Agree to provide further information or personal details, including information related to tax-related requirements if required by the Responsible Entity or it's agent, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Responsible Entity collecting, holding, using and disclosing my/our personal information in accordance with the PDS
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Responsible Entity;
- Acknowledge that once the Responsible Entity accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Units that I/we apply for (or a lower number allocated in a manner allowed under the PDS)
- Acknowledge that my/our Application may be rejected by the Responsible Entity in its absolute discretion;
- Authorise the Responsible Entity and its agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Units to be allocated pursuant to this Application;
- Am/are over 18 years of age;
- Agree to be bound by the constitution of the Trust;
- Acknowledge that neither the Responsible Entity nor any person or entity guarantees any particular rate of return of the Units, nor do they guarantee the repayment of capital;
- Represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- Represent, warrant and agree that I/we have not received the PDS outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia and New Zealand.

LODGEMENT INSTRUCTIONS

The Offer opens at 9:00am (Sydney time) on 25 March 2019 and is expected to close at 5:00pm (Sydney time) on 18 April 2019. The Responsible Entity may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques, bank drafts or money orders must be submitted:

By Post:



Perpetual Credit Income Trust
C/- Automic
GPO Box 5193
SYDNEY NSW 2001

By Hand Delivery:



Perpetual Credit Income Trust
C/- Automic
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Your Application Form must be received by no later than:
18 April 2019 @ 5.00pm
(Sydney time)

ASSISTANCE

Need help with your application, no problem. Please contact the Perpetual Credit Income Trust Offer information line on:



PHONE:
1300 778 468 within Australia
+61(2) 9299 9621 from outside Australia



LIVE WEBCHAT:
Go to www.automic.com.au



EMAIL:
perpetual@automicgroup.com.au



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6. Direct Crediting Payment Instructions

Provide your account details below to receive all payments by electronic funds transfer (EFT).



PLEASE NOTE: Distribution payments will be made by EFT only to Australian resident investors that hold an account with an Australian bank. Overseas registered investors may also provide EFT instructions if they hold an account with an Australian bank.

BSB

-

Account Number



DO NOT USE YOUR CARD NUMBER

If you are unsure of your BSB or account number, please check with your bank, building society or credit union

Name in which the account is held (e.g. John Smith)

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic Group advises that Chapter 2C of the *Corporation Act 2001* (cth) requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au



CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PDS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Units in Perpetual Credit Income Trust (ARSN 626 053 496) ("Trust"), made under the terms set out in the Product Disclosure Statement dated 8 March 2019 ("PDS").

Capitalised terms not otherwise defined in this document have the meaning given to them in the PDS. The PDS contains important information relevant to your decision to invest and you should read the entire PDS before applying for Units. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the PDS and any supplementary PDS (if applicable). You can obtain paper copies of the PDS, and any supplementary PDS (if applicable) and an Application Form, on request and without charge by contacting the offer information line.

- Units Applied For & Payment Amount** - Enter the number of Units you wish to apply for. Your Application must be for a minimum of 2,000 Units (A\$2,200) and thereafter in multiples of 500 Units (or amounts of \$550). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Units applied for by the offer price, which is A\$1.10 per unit.
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Units. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Responsible Entity. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 7:00pm (Sydney time) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold units allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment your

holding will be recorded on the Trust's issuer sponsored subregister and a "Securityholder Reference Number" ("SRN") will be allocated to you.

- TFN/ABN/Exemption** - If you wish to have your Tax File Number ("TFN"), ABN or Exemption registered against your holding, please enter the details. Collection of TFNs is authorised by taxation laws but providing it is not compulsory and failing to provide it will not affect your Application.
- Direct Crediting Payment Instructions** - Please provide your electronic funds transfer ("EFT") instructions for all payments to be made to you in relation to the Trust, so that they can be directly paid to your bank account. Please note: distribution payments will be made by EFT only to investors that hold an account with an Australian bank.
- Payment** - Payments for applications made through this application form can only be made by cheque, bank draft or money order. Do not forward cash with this Application Form as it will not be accepted.
Your cheque, bank draft or money order must be made payable in accordance with the instructions provided to you by your broker or advisor. Cheques or bank drafts must be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques or bank drafts will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque, bank draft or money order is dishonoured.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the PDS, either in printed or electronic form and have read the PDS in full;
- Have completed this Application Form in accordance with the instructions on the form and in the PDS;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- Agree to provide further information or personal details, including information related to tax-related requirements if required by the Responsible Entity or it's agent, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Responsible Entity collecting, holding, using and disclosing my/our personal information in accordance with the PDS
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Responsible Entity;
- Acknowledge that once the Responsible Entity accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Units that I/we apply for (or a lower number allocated in a manner allowed under the PDS)
- Acknowledge that my/our Application may be rejected by the Responsible Entity in its absolute discretion;
- Authorise the Responsible Entity and its agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Units to be allocated pursuant to this Application;
- Am/are over 18 years of age;
- Agree to be bound by the constitution of the Trust;
- Acknowledge that neither the Responsible Entity nor any person or entity guarantees any particular rate of return of the Units, nor do they guarantee the repayment of capital;
- Represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- Represent, warrant and agree that I/we have not received the PDS outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia and New Zealand.

LODGEMENT INSTRUCTIONS

The Offer opens at 9:00am (Sydney time) on 25 March 2019 and is expected to close at 5:00pm (Sydney time) on 18 April 2019. The Responsible Entity may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques, bank draft or money order must be submitted:



Return this form back directly to you broker / advisor in accordance with their instructions
Do not return to the Registry or the RE

Your Application Form must be received by no later than:
18 April 2019 @ 5.00pm (Sydney time)

ASSISTANCE

Need help with your application, no problem. Please contact the Perpetual Credit Income Trust Offer information line on:



PHONE:
1300 778 468 within Australia
+61(2) 9299 9621 from outside Australia



LIVE WEBCHAT:
Go to www.automic.com.au



EMAIL:
perpetual@automicgroup.com.au



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Perpetual Credit Income Trust | ARSN 626 053 496

GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
hello@automic.com.au
www.automic.com.au

Investor 1
Investor 2
Investor 3

--

Postcode	

In relation to the surviving joint holder/s, please go to question 1B if an individual or go to section 3 if an entity

2D

Is this investment held by a public listed company, or a majority owned subsidiary of a public listed company (other than financial institutions)?

☐

No – Go to question 2E

☐

Yes – If registered with ASIC, what is the company's registration number?

What is the name of the public listed parent company if a majority owned subsidiary?

What is the name of the market or exchange where the company is listed?

What is the company's unique exchange code e.g. ASX Code, ticker code?

Your certification is complete once you sign at section 5

2E

Is this investment held by or on behalf of an entity i.e. does the Account Designation include a reference to one or more entities (e.g. a family trust or partnership etc) as being the beneficial owner/s?

☐

No – the account is held solely for the benefit of the registered holders who is/are entities

☐

Yes – the account is held for the benefit of an entity

In both cases, go to section 3 - Entities

SECTION 3 – ENTITIES (If more than one entity, attach a separate sheet with the requested information)

Please select the option that best describes the entity. Provide the entity's Australian registration number (e.g. ACN, ABN, ARBN, ARSN) where applicable

The entity is best described as:

3A☐

An entity or legal arrangement established under the laws of the United States (U.S.) or otherwise considered to be a resident of the U.S. for tax purposes

Go to question 4A

3B☐

Financial Institution (other than a U.S. financial institution)

A financial institution includes the following entity types: a Depository Institution, an Investment Entity, a Specified Insurance Company or a Custodial Institution (Provide the trustee's GIIN if the entity is a Trustee Documented Trust)

What is your GIIN?

If your entity does not have a GIIN, select the Foreign Financial Institution (FFI) status that most applies:

☐

Deemed Compliant Financial Institution

☐

Non-Participating Financial Institution

☐

Excepted Financial Institution

☐

Non-Reporting IGA Financial Institution

☐

Other – please describe:

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Are you an Investment Entity located in a non-CRS participating jurisdiction and professionally managed by another financial institution?
Note: You can review the Automatic Exchange of Information (AEOI) guidance for non-CRS participating jurisdictions on the ATO website at: <https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/>

☐

No - **Your certification is complete once you sign at section 5**

☐

Yes – What is the non-CRS participating jurisdiction?

Go to question 4A

3C☐

Not a Financial Account

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Certain accounts are not considered to be 'Financial Accounts' for the purposes of FATCA and CRS. These include:

- An Employee Share Scheme or Trust as defined in the Income Tax Assessment Act 1997
- An Escrow Account established in connection with a court order or judgment, or a sale, exchange, or lease of real or personal property where certain requirements have been met

Your certification is complete once you sign at section 5

3D☐

Exempt Beneficial Owner

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

Under FATCA and CRS, an Exempt Beneficial Owner includes:

- Australian government organisation or agency
- Reserve Bank of Australia
- International (including intergovernmental) organisation

Your certification is complete once you sign at section 5

3E☐

Non-Financial Entity (NFFE/NFE)

If registered in Australia, what is the entity's ACN, ABN, ARBN or ARSN?

A NFE/NFFE includes the following entity types: a company that is NOT a financial institution, a partnership, a trust, a co-operative, association or club, or a charitable organisation etc.

Go to question 3F

3F

Is your entity an active or a passive NFFE/NFE?

(i)

☐**Active NFFE/NFE**

The entity operates an active trade or business (other than a financial business) earning its income from providing services, or is engaged in producing, manufacturing or selling products or goods. Examples include: listed and regularly traded corporations, service providers, charities, primary producers, central banks and government agencies etc

Go to question 4A

(ii)

☐**Passive NFFE/NFE**

The entity earns 50% or more of its revenue from investment activities (e.g. rent, dividends, interest or distribution), or 50% or more of the entity's assets are used to generate investment income

Go to question 4A, 4B and 4C

SECTION 4 – TAX RESIDENCY DETAILS

4A

Entity from question 3A and question 3E/3F

Please provide information about the entity's tax residency

Legal Name of Entity

Entity Street Address

Tax resident of Australia only?

☐Yes – If the entity is a passive NFFE/NFE, **go to question 4B**If the entity is an active NFFE/NFE, **go to section 5 - signing requirements**☐

No – Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency

Country 2 Tax Residency

Country 3 Tax Residency

TIN 1

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 2

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 3

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

4B

Passive NFFE/NFE from question 3F(ii) and question 4A:

Are there any beneficial owners or controlling persons (including those with direct or indirect ownership of 25% or more) of the Passive NFFE/NFE who is a U.S. citizen, OR a resident for tax purposes in a country other than Australia? Controlling persons include the settlor, protector, appointer and trustee (or the individuals who control the Trustee) of a trust. All beneficiaries of a trust are considered to be controlling persons. In relation to a company or other entity, if there are no beneficial owners or controlling persons as described above, then the person who exerts ultimate control over the entity (e.g. has the authority to make financial, policy and operating decisions) is the controlling person. For a partnership this includes any partners.

☐No – **Your certification is complete once you sign at section 5**☐Yes – **Go to question 4C**

4C

Individuals from question 1B and Beneficial Owners and Controlling Persons from question 4B:

Complete the following information for each individual investor, or each individual beneficial owner or controlling person. If there are more than four individual investors, beneficial owners or controlling persons, please attach a sheet with the required information.

Individual 1:

Legal Name of Person

Date of Birth (dd/mm/yyyy)

Residential Street Address

Tax resident of Australia only?

☐Yes - **Your certification is complete once you signed at section 5**☐

No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency

Country 2 Tax Residency

Country 3 Tax Residency

TIN 1

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 2

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 3

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 2:

Legal Name of Person

Date of Birth (dd/mm/yyyy)

dd/mm/yyyy

Residential Street Address

Tax resident of Australia only?

☐Yes - **Your certification is complete once you signed at section 5**☐

No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency

Country 2 Tax Residency

Country 3 Tax Residency

TIN 1

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 2

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 3

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 3:

Legal Name of Person

Date of Birth (dd/mm/yyyy)

dd/mm/yyyy

Residential Street Address

Tax resident of Australia only?

☐Yes - **Your certification is complete once you signed at section 5**☐

No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency

Country 2 Tax Residency

Country 3 Tax Residency

TIN 1

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 2

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 3

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

Individual 4:

Legal Name of Person

Date of Birth (dd/mm/yyyy)

dd/mm/yyyy

Residential Street Address

Tax resident of Australia only?

☐Yes - **Your certification is complete once you signed at section 5**☐

No - Complete foreign tax residency information for every country in which you are a tax resident:

Country 1 Tax Residency

Country 2 Tax Residency

Country 3 Tax Residency

TIN 1

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 2

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

TIN 3

OR

☐

Country does not issue TINs OR

☐

TIN is available, but has not been obtained or has not been issued a TIN

If TIN is available, but you have not obtained or been issued with a TIN, please provide an explanation.

SECTION 5 – SIGNING REQUIREMENTS

The signatories declare that the certification provided on this form is correct to the best of his/her knowledge and belief. The signatories further acknowledge that they must re-certify if any of the information disclosed on this form changes or becomes invalid.

Investor/Individual 1 or Entity (Authorised Person)

Investor/Individual 2 or Entity (Authorised Person)

Investor/Individual 3 or Entity (Authorised Person)

Sole Director and Sole Company Secretary/Director/Trustee/Partner/Governing Member

Director/Company Secretary/Trustee/Partner/Governing Member

Date

/ /

Print Name

Print Name

Print Name

Privacy Clause: Automic Pty Ltd (ACN 152 260 814) trading as Automic Registry Services (Automic) advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

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CORPORATE DIRECTORY

RESPONSIBLE ENTITY

Perpetual Trust Services Limited
Level 18, Angel Place
123 Pitt Street
Sydney NSW 2000

MANAGER

Perpetual Investment Management Limited
Level 18, Angel Place
123 Pitt Street
Sydney NSW 2000
Website: www.perpetualincome.com.au
Offer information line: 1300 778 468
Between 8:30am and 7:00pm (Sydney time)
Monday to Friday

SOLICITORS TO THE OFFER

MinterEllison
Level 40, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

LEAD ARRANGERS AND JOINT LEAD MANAGERS

Commonwealth Securities Limited
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane Qld 4000

National Australia Bank
Level 25
255 George Street
Sydney NSW 2000

CO-MANAGERS

Bell Potter Securities Limited
Level 29
101 Collins Street
Melbourne VIC 3000

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 15
60 Castlereagh Street
Sydney NSW 2000

CUSTODIAN AND ADMINISTRATOR

RBC Investor Services Trust
Level 47
2 Park Street
Sydney NSW 2000

UNIT REGISTRY

Automic Pty Limited
Level 5
126 Phillip Street
Sydney NSW 2000

Perpetual 