

# ELEY GRIFFITHS GROUP EMERGING COMPANIES FUND

ARSN 616 328 128, APIR PIM5346AU

## PRODUCT DISCLOSURE STATEMENT

DATED 30 SEPTEMBER 2022

### Contents

1. About The Trust Company (RE Services) Limited	2
2. How the Eley Griffiths Group Emerging Companies Fund works	2
3. Benefits of investing in the Fund	3
4. Risks of managed investments schemes	3
5. How we invest your money	4
6. Fees and costs	5
7. How managed investment schemes are taxed	7
8. How to apply	7
9. More information	8

#### Custodian

**National Australia Bank Limited**

#### Administrator

**Link Fund Solutions Pty Limited (“LFS”)**

Level 12, 680 George Street  
Sydney NSW 2000  
[www.linkgroup.com](http://www.linkgroup.com)

The Trust Company (RE Services) Limited (**Perpetual, the Responsible Entity, we, our or us**) is the responsible entity of the Eley Griffiths Group Emerging Companies Fund (Fund) and issuer of this PDS. A paper copy of this PDS (together with the Information Booklet and application form) and any other information it incorporates by reference is available by downloading from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com).

This PDS is also available to investors who invest through an IDPS (such as a master trust or wrap account). Different conditions may apply to such investors so please refer to “Investing via an IDPS” in Section 9 “More information”. This PDS is not an offer or invitation in relation to the Fund in any jurisdiction other than Australia and New Zealand, or to any person to whom it would not be lawful to make that offer or invitation. All references to \$ amounts are to Australian dollars.

This PDS is current as at 30 September 2022. Information in this PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by Perpetual posting a notice of the change on the Fund’s website at [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Investors will be provided, free of charge, a paper copy of the updated information upon request. If the change is materially adverse to investors, Perpetual will notify affected investors or we may issue a supplementary PDS as part of section 1014A of the Corporations Act 2001 (Cth). If you have invested through an IDPS, you can obtain updated information from the IDPS operator.

Neither Perpetual nor Eley Griffiths Group Pty Ltd ABN 66 102 271 812 AFSL 224818 (the Investment Manager) guarantee that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Perpetual and the Investment Manager makes any statement or representation in this PDS.

#### Please note:

- this Product Disclosure Statement (**PDS**) is a summary of significant information and contains a number of references (marked with the symbol “§”) to important additional information contained in the Information Booklet which forms part of this PDS.
- the Target Market Determination (TMD) for this Fund can be found at <https://eleygriffithsgroup.com/invest> and includes a description of who the Fund is appropriate for. You should read the TMD for this Fund before making any investment decision.
- you should consider the information contained in this PDS before making a decision about the Fund.
- the information provided in this PDS is general information only and does not take account of your personal financial situation or needs and
- you should obtain financial advice tailored to your personal circumstances.

#### Responsible Entity

**The Trust Company (RE Services) Limited**

(ABN 45 003 278 831, AFSL 235150)

Level 18, Angel Place, 123 Pitt Street  
Sydney NSW 2000

[www.perpetual.com.au](http://www.perpetual.com.au)

Tel +61 2 9229 9000

#### Investment Manager

**Eley Griffiths Group Pty Ltd**

Level 24, Governor Phillip Tower  
1 Farrer Place, Sydney NSW 2000

Tel +61 2 9271 0900

Email: [info@eg-group.com.au](mailto:info@eg-group.com.au)

[www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com)

## 1. ABOUT THE TRUST COMPANY (RE SERVICES) LIMITED

### Perpetual

The Trust Company (RE Services) Limited (“Responsible Entity”) is the Responsible Entity for the Fund. The Trust Company (RE Services) Limited is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827, and a part of Perpetual Group which has been in operation for over 135 years. Perpetual Limited is an Australian public company that has been listed on the Australian Securities Exchange for over 55 years.

The Responsible Entity holds Australian Financial Services License number 235150 issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution and the Corporations Act. 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 and the Corporations Act.

The Responsible Entity has established a Compliance Committee with a majority of external members. The compliance plan is overseen by the Compliance Committee and is audited annually with the audit report being lodged with ASIC.

### The Investment Manager

Eley Griffiths Group Pty Ltd is the Investment Manager of the Fund. As well as managing the Fund, the Investment Manager manages a small companies unit trust as well as discrete portfolios for large institutional investors.

The Investment Manager is a boutique investment manager specialising in Australian and New Zealand small and emerging companies. It is wholly owned by its staff. The Investment Manager has a commitment to excellence in the management of small and emerging company portfolios and the principals have extensive experience in this area. The business operates an outsourced service provider model which allows the principals to concentrate their time and energy on portfolio management and the discovery of stocks that they believe have been inefficiently valued by the market.

The Investment Manager’s philosophy involves a belief in stock-picking, the need for a disciplined stock selection process, rigorous risk control measures and an extensive company visitation programme. The Investment Manager undertakes over 800 company contacts per year. For more information on the Investment Manager’s investment process, see Section 5 “How we invest your money”.

## 2. HOW THE ELEY GRIFFITHS GROUP EMERGING COMPANIES FUND WORKS

When you invest in the Fund your money (together with all other investors’ monies) is pooled together and invested in assets which sit within the Fund’s investment guidelines. We have appointed the Investment Manager to manage the Fund. The Investment Manager uses its resources, experience and expertise to make the investment decisions.

Perpetual has also appointed LFS as the administrator of the Fund, and National Australia Bank Limited ABN 12 004 044 937 (NAB) as the independent custodian to hold the assets of the Fund. Perpetual, in its discretion, may change the administrator or custodian from time to time or appoint additional service providers.

### Units

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

## § Investing and withdrawing

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

<b>Minimum initial investment</b>	\$10,000
<b>Minimum additional investment</b>	\$5,000
<b>Minimum withdrawal</b>	\$10,000
<b>Minimum balance</b>	\$10,000
<b>Unit pricing frequency</b>	Each business day
<b>Any application and withdrawal processing</b>	If LFS receives your correctly completed application and monies or a correctly completed withdrawal request before 4pm Sydney time, then they are generally processed that business day using the unit price effective for that day. If your request is received after this time, or on a non-business day, it is treated as having been received before 4pm Sydney time the next business day.

§ Each unit has a value which LFS calculates on our behalf by establishing the net asset value of the Fund and dividing the resulting amount by the number of units in issue and adjusting it with the applicable buy or sell spread (which, at the date of this PDS, is estimated to be +0.242% on the entry price and -0.242% on the exit price when you buy or sell units in the Fund). When you invest, the number of units issued to you depends on the amount you invest. Similarly, when you withdraw from the Fund, your withdrawal proceeds are calculated by reference to the number and value of units you hold at the time of withdrawal. Generally, the price of units will vary as the market value of assets in the Fund rises or falls.

You can increase your units by reinvesting distributions (this will be done automatically unless you tell us otherwise) or making an additional investment (use the Additional investment form to do this), or decrease your units by making a withdrawal (use the Withdrawal Form). We call this a redemption request. We may accept scanned or faxed redemption requests on certain conditions.

We are not bound to accept an application.

### § Delays

In certain circumstances, such as when there is a freeze on withdrawals, including where we cannot determine fairly the Withdrawal Price because of an extreme downside share price action or where the Fund is not liquid (as defined in the Corporations Act 2001), you may have to wait a longer period of time before you can redeem your investment.

If the Fund is not liquid then you will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Fund constitution and Corporations Act 2001.

### § Compulsory redemptions

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

### Distributions

We distribute or allocate all taxable income to investors each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits.

Distributions are generally paid annually (as at 30 June) and can be reinvested in full back into the Fund or paid out entirely to the financial institution account nominated on your application form. You can indicate your choice on the application form. We do not accept directions to pay distributions to third parties.

Distributions will not be paid by cheque.

Distribution payments are typically made within 45 business days after the end of the distribution period.

§ We generally calculate income distributions based on the Fund's net income at the end of the distribution period divided by the number of units on issue.

**You should read the following important information before making a decision to invest in the Fund: § A1 Investing and withdrawing. Go to Part A of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

### 3. BENEFITS OF INVESTING IN THE FUND

#### Significant features

The Fund principally invests in the equities of Australian and New Zealand companies listed on the ASX or NZX that fall outside the S&P/ASX200 Index, and some cash. The Fund's investment objective is to outperform the S&P/ASX Small Ordinaries Accumulation Index over a rolling 5 year period. This investment objective is not a forecast. Returns are not guaranteed. See Section 5 "How we invest your money" for more information.

#### § Significant benefits

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

- the potential to generate capital growth over the medium term as well as income from its investment in companies listed in Australia and New Zealand
- access to the investment expertise of the Investment Manager
- active risk management (through the form of risk spreading)
- access to investment opportunities that individual investors usually cannot achieve
- managed funds can often invest for less cost than ordinary investors
- generally, you can add to or withdraw your investment each business day
- you have the right to receive any distributions we make from the Fund
- a robust corporate governance structure and
- clear legal rights.

**You should read the following important information before making a decision to invest in the Fund: § B1 Benefits and features. Go to Part B of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

### 4. RISKS OF MANAGED INVESTMENT SCHEMES

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

### Significant risks

The significant risks of the Fund include:

- **Individual investment risk:** Investments to which the Fund is exposed, like shares on a securities exchange, can (and do) fall in value for many reasons, such as changes in a company's internal operations or management, or in its business environment. The Investment Manager aims to reduce these risks with careful analysis of the companies which may impact on the Fund's investments.
- **Market risk:** Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility.
- **Emerging companies risk:** Emerging companies generally have less diversified income streams, less stable funding sources and weaker bargaining positions with their counterparties when compared to larger companies. The securities of emerging companies may also be less liquid than those of larger companies.
- **Investment manager risk:** Investment managers can be wound up or liquidated, they can cease to manage the relevant fund, their investment methodology can change, they can poorly manage operational risks and their funds can perform poorly. If any of these occurred Perpetual would do all things reasonably practicable to recover the value of the Fund's investments and seek a new investment manager or program, with a similar investment profile if thought appropriate. If the investment program changed significantly, you would be given at least 30 days' notice. Further, only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change which can affect their performance.
- **Fund risk:** Risks particular to the Fund include that it could terminate (for example, at a date we decide), the fees and expenses could change (although we would always give you at least 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

#### § Risks applicable to managed funds generally

Other significant risks relevant to many managed funds include:

- the value of investments will vary
- the level of returns will vary, and future returns may differ from past returns and
- returns are not guaranteed, and you may lose some of your money.

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

**You should read the following important information before making a decision to invest in the Fund: § C1 Risks in general. Go to Part C of the Information Booklet available upon from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

## 5. HOW WE INVEST YOUR MONEY

**WARNING:** Before you decide to apply for units in the Fund, you should consider the likely investment return of the Fund, risks involved in investing in the Fund and your investment timeframe. We recommend you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

### Snapshot

<b>Fund description</b>	The Fund principally invests in equities of Australian and New Zealand companies listed on the ASX and NZX that fall outside the S&P/ASX200 Index and some cash. The Investment Manager is an active manager who makes decisions about buying and selling investments of the Fund on a daily basis.												
<b>Investment return objective</b>	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over a rolling 5 year period. For information on how to access the latest Fund performance, see Section 9. <i>Note the investment return objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.</i> § The Investment Manager has developed an investment process to help achieve the investment return objective.												
<b>Benchmark</b>	S&P/ASX Small Ordinaries Accumulation Index												
<b>Fund's investments and asset allocation</b>	<p>The Fund will generally hold shares in listed and unlisted companies and cash. The portfolio allocation will generally be:</p> <table border="1"> <thead> <tr> <th>ASSETS</th> <th>MIN</th> <th>MAX</th> <th>TARGET</th> </tr> </thead> <tbody> <tr> <td>Australian &amp; New Zealand Equities</td> <td>50%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>Cash</td> <td>0%</td> <td>50%</td> <td>5%</td> </tr> </tbody> </table> <p>Please note that the ranges and the target provide only an indication of the intended investments of the Fund. The Investment Manager aims to actively adjust the investment mix within the ranges above. The "target" position is where the Investment Manager aims to have the Fund invested given a fairly valued investment market. All other things being equal, the target position would be the investment mix of the Fund.</p> <p>Remember the investment mix can change within the ranges significantly and sometimes quickly. Ask your adviser or contact the Investment Manager for the latest investment mix and size of the Fund.</p>	ASSETS	MIN	MAX	TARGET	Australian & New Zealand Equities	50%	100%	95%	Cash	0%	50%	5%
ASSETS	MIN	MAX	TARGET										
Australian & New Zealand Equities	50%	100%	95%										
Cash	0%	50%	5%										
<b>Recommended minimum investment period</b>	At least 5 years												
<b>Borrowing</b>	The Fund may borrow for operational purposes only (but the Fund itself will not be leveraged).												
<b>Risk</b>	High												
<b>Suitability</b>	The Fund is generally suited for persons seeking long term capital growth (5+ years) and those who can tolerate a high level of volatility. You should speak with your financial adviser before investing in the Fund.												
<b>Labour and environmental, social or ethical considerations</b>	The Investment Manager may take into account labour standards or environmental, social or ethical considerations as part of a broader environmental, social and governance approach in the selection, retention or realisation of investments or when such issues could have a material impact on either investment risk or return. The Investment Manager does not have a predetermined view about how far labour standards or environmental, social or ethical considerations will be taken into account in determining which investments to make, the timeframe for monitoring or reviewing investments in light of these standards and considerations, or what will occur and the timeframe in which it will occur if investments cease to meet any of these standards or considerations. When the Investment Manager does take labour standards or environmental, social or ethical considerations into account at any given time, it may take into consideration a company's corporate governance, workplace health and safety, labour and environmental practices or whether its industry sector may have a negative impact on society (such as tobacco and gambling). The Investment Manager may take these matters into consideration as part of the fundamental research, investment selection and portfolio construction stages of the investment process and typically selects one or more individual stocks on a quarterly basis to assess such characteristics. The Investment Manager, however, does not take a consistent approach when assessing such considerations during the investment process or when reviewing a portfolio and such considerations may not determine whether an investment is made or divested.												
<b>Switching</b>	There is no ability for you to switch investments in the Fund.												

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

**You should read the following important information before making a decision to invest in the Fund: § D1 The investment process. Go to Part D of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

## 6. FEES AND COSTS

### DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period

(for example, reduce it from \$100 000 to \$80 000).

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

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

### TO FIND OUT MORE

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

Information in the following table can be used to compare costs between different simple managed investment schemes. Generally, fees and costs are deducted from your account or from investment returns or from the Fund assets as a whole. You can use the ASIC calculator to calculate the effect of fees and costs on your account balances.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs*</i> <i>The fees and costs for managing your investment<sup>2**</sup></i>	1.26% p.a. of the net asset value of the Fund	The management fee is calculated and accrued daily and is payable monthly in arrears. The fee is deducted from the assets of the Fund and reflected in the unit price.  Ordinary expenses are deducted from the assets of the Fund and capped at 0.02% p.a. (including GST net of reduced input tax credits) of the net asset value of the Fund. Ordinary expenses are generally paid as incurred.  Indirect costs are paid out of the Fund's assets or interposed vehicle's assets as and when incurred.  Lower management fees and/or different payment terms may be negotiated with certain Wholesale Clients. See 'Can fees be different for different investors?' under the heading 'Additional explanation of fees and costs'
<i>Performance fees*</i> <i>Amounts deducted from your investment in relation to the performance of the product</i>	1.71% p.a. of the net asset value of the Fund <sup>3</sup>	A performance fee of 15.375% (including GST net of RITCs) of the amount by which the Fund outperforms its benchmark provided the "high-water mark" has been exceeded. The performance fee is calculated daily and where positive accrues to the unit price each day. The performance fee is generally paid at the end of each performance period, although it may not be payable each period. Performance fees when earned are payable to the Investment Manager from the assets of the Fund. See Performance Fees under the heading 'Additional explanation of fees and costs'.
<i>Transaction costs*</i> <i>The costs incurred by the scheme when buying or selling assets</i>	Estimated to be 0.43% p.a. of the net asset value of the Fund	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the net assets of the Fund as and when incurred and are reflected in the unit price. Transaction costs are expressed net of any amount recovered by the buy-sell spread.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)</b>		
<i>Establishment fee</i> <i>The fee to open your investment</i>	Nil	Not applicable
<i>Contribution fee</i> <i>The fee on each amount contributed to your investment</i>	Nil	Not applicable

<i>Buy-sell spread</i> <i>An amount deducted from your investment representing the costs incurred in transactions by the scheme</i>	+/-0.242%	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders.
<i>Withdrawal fee</i> <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
<i>Exit fee</i> <i>The fee to close your investment</i>	Nil	Not applicable
<i>Switching fee</i> <i>The fee for changing investment options</i>	Nil	Not applicable

<sup>1</sup> All fees are expressed as a percentage of net asset value of the Fund excluding accrued fees.

<sup>2</sup> The amount of this fee can be negotiated (for wholesale investors only).

<sup>3</sup> This estimate has been determined based on average actual performance fees of the Fund over the last five financial years. The fact that a performance fee was paid however is not a representation of likely future performance.

\* This is an estimate only. Please refer to our website for any updates on these estimates which are not considered materially adverse from a retail investor's point of view.

\*\* Ordinary expenses of the Fund are currently capped and therefore these expenses are charged and deducted from the assets of the Fund at a fixed amount of 0.02% p.a. (including GST net of reduced input tax credits) of the net asset value of the Fund. Any amounts of ordinary expenses which exceed this capped amount will be borne by the Investment Manager without being an additional cost to investors. However, the Responsible Entity reserves the right to defer the recovery of any expenses incurred in any year above the cap to a later year provided that the expense recovery in any later year does not exceed 0.02% p.a. of the net asset value of the Fund. For further information please see "Additional explanation of fees and costs".

### Example of annual fees and costs

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

EXAMPLE – ELEY GRIFFITHS GROUP EMERGING COMPANIES FUND		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs*	1.26	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$630</b> each year
<b>PLUS</b> Performance fees	1.71%	<b>And</b> , you will be charged or have deducted from your investment <b>\$855</b> in performance fees each year
<b>PLUS</b> Transaction costs*	0.43	<b>And</b> , you will be charged or have deducted from your investment <b>\$215</b> # in transaction costs
<b>EQUALS</b> Cost of Eley Griffiths Group Emerging Companies Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: <b>\$1,700</b> <b>What it costs you will depend on the fees you negotiate.</b>

When calculating ongoing annual fees and costs in this table, the law says we must assume that the value of your investment remains at \$50,000, the additional \$5,000 was invested on the last day of the year and the Fund's unit price does not fluctuate. Ongoing annual fees and costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions). The example assumes no abnormal expenses are incurred, fees are not individually negotiated and no service fees are incurred by you. The example also estimates a typical ongoing performance fee, of 1.71% which has been determined based on average actual performance fees from the last five financial years. The fact that a performance fee was paid however is not a representation of likely future performance. The actual performance fee and therefore the total management costs will depend on the performance of the Investment Manager and may vary from the example above.

All fees are expressed as a per annum percentage of net asset value of the Fund excluding accrued fees. Totals may appear incorrect due to rounding. Returns are not guaranteed. Please refer to "Additional explanation of fees and costs" for more information.

Any item marked with an asterisk (\*) is an estimate. Please refer to [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com) for any updates on these estimates which are not considered to be materially adverse from an investor's point of view.

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

## 5 Additional explanation of fees and costs

### About management fees and costs

Management fees and costs include the responsible entity fees, investment management fees, custodian fees and administration fees, ordinary and abnormal expenses and any indirect costs. Fees payable to the Responsible Entity and the Investment Manager are calculated and accrued daily based on the net asset value of the Fund excluding accrued fees and are paid monthly in arrears. Management fees and costs paid out of Fund assets reduce the net asset value of the Fund and are reflected in the unit price. Management fees and costs exclude transaction costs (i.e. costs associated with investing the underlying assets, some of which may be recovered through buy-sell spreads).

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs. The Fund's indirect costs are based on the financial year ending 30 June 2022 and are estimated to be 0.00%. Actual indirect costs for future years may differ.

The ordinary expenses for the Fund are capped at 0.02% per annum of the net assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund as and when they are incurred. The constitution of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited. We reserve the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

### Performance fees

Performance fees form part of the management costs of the Fund. The performance fee is 15.375% (including GST net of RITCs) of the amount by which the Fund (after fees and expenses) outperforms its benchmark (the S&P/ASX Small Ordinaries Accumulation Index), provided the "high-water mark" has been exceeded. The high-water mark means no performance fee is payable for a performance period where at the end of that performance period the unit price on an accumulation basis (i.e. with distributions reinvested, but no performance fees deducted) is lower than the highest previous performance period end unit price calculated on the same basis. Performance periods end at 30 June and 31 December each year.

Before a performance fee can be paid the following conditions must be met, the:

- Fund must make a positive return in the performance period
- Fund must outperform the S&P/ASX Small Ordinaries Accumulation Index and
- previous high-water mark must be exceeded.

The performance fee is calculated daily and accrues to the unit price each day. The performance fee is generally paid at the end of each performance period, although it may not be payable each period. Performance fees when earned are payable to the Investment Manager from the assets of the Fund. A worked dollar example showing the impact of a performance fee is set out in the Information Booklet.

### Transaction costs

Transaction costs include brokerage, settlement costs, currency transactions, clearing and stamp duty costs. When you invest in the Fund, the Investment Manager may buy (and sell) investments

and incur these costs. When you withdraw, the Investment Manager may sell investments so we can pay your cash to you and incur these costs. These costs are also incurred in connection with day to day trading within the Fund.

Some of these costs are recovered through the buy/sell spread. A buy/sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/ withdrawing units from the Fund. The buy/sell spread is reflected in the buy/sell unit price. Currently, our buy/sell spread is estimated to be +0.242% on the entry price and -0.242% on the exit price).

### Adviser fees

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

### Changes to fees and costs

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

**You should read the following important information before making a decision to invest in the Fund: § E1 Prescribed information about fees and costs and § E2 Additional explanation of fees and costs. Go to Part E of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

§ WARNING: Investing in a registered managed investment scheme (like the Fund) is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes (like the Fund) generally do not pay tax on behalf of members resident in Australia or New Zealand. Members are assessed for tax on any income and capital gains generated by the Fund.

**You should read the following important information before making a decision to invest in the Fund: § F1 Paying tax and § F2 Foreign Account Tax Compliance Act (FATCA) § F3 Common Reporting Standard (CRS). Go to Part F of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

## 8. HOW TO APPLY

### How to invest

Use the application form accompanying this PDS to apply for units in the Fund. The application form contains detailed instructions and will ask you to provide the identification documents required under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML CTF Act).

We do not earn interest, nor do we pay you interest, on application monies held prior to the time we issue units to you. Additional investments can be made at any time using the additional investment form.

### Cooling off

If you are a retail client (as defined in the Corporations Act) investing directly in the Fund and decide that you don't want the units we have issued you in the Fund in the period set out below, we must repay your money to you in accordance with this section.

If you change your mind, you have 14 days to tell us, starting on the earlier of:

- when we send you confirmation that you are invested or
- 5 business days after we issue the units to you.

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

A cooling-off right does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined in the Corporations Act), or to additional investments, reinvested distributions or switches between funds.

### 5 Enquiries and complaints

If you have any enquiries regarding the Fund, please contact the Investment Manager at [info@eg-group.com.au](mailto:info@eg-group.com.au) or (02) 8311 5175 for more information.

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity and/or the Investment Manager during business hours, using contact details provided in the PDS.

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

All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS) can access the Responsible Entity's complaints procedures outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS, then you should contact the IDPS operator directly.

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

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

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

**You should read the following important information before making a decision to invest in the Fund: § G1 Cooling off. Go to Part G of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when you acquire the product.**

## 9. MORE INFORMATION

### Fund performance and size

If you are interested in:

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

then ask your financial adviser or go to <http://www.eleygriffithsgroup.com>.

Past performance is not a reliable indicator of future performance. Returns are volatile and may go up and down significantly and sometimes quickly.

### New Zealand Warning statement

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 seek the advice of a financial advice provider.

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.

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

**You should read the following important information before making a decision to invest in the Fund: § H1 Privacy, § H2 Anti-money laundering, H3 Investing via an IDPS, H4 AMIT, H5 Keeping you informed, H6 Consents and H7 Related party transactions and conflicts of interest Go to Part H of the Information Booklet available from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com). Note the information may change between the time when you read this PDS and the day when acquire the product.**

## INFORMATION BOOKLET

Dated 30 September 2022

The information in this document forms part of the Product Disclosure Statement dated 30 September 2022 and issued by The Trust Company (RE Services) Limited as responsible entity of the

# ELEY GRIFFITHS GROUP EMERGING COMPANIES FUND

ARSN 616 328 128, APIR PIM5346AU

<p><b>Responsible Entity</b> <b>The Trust Company (RE Services) Limited</b> Level 18, Angel Place, 123 Pitt Street Sydney NSW 2000 Tel +61 2 9229 9000 <a href="http://www.perpetual.com.au">www.perpetual.com.au</a></p>	<p><b>Investment Manager</b> <b>Eley Griffiths Group Pty Ltd</b> Level 24, Governor Phillip Tower 1 Farrer Place, Sydney NSW 2000 Tel +61 2 9271 0900 Email: <a href="mailto:info@eg-group.com.au">info@eg-group.com.au</a> <a href="http://www.eleygriffithsgroup.com">www.eleygriffithsgroup.com</a></p>	<p><b>Administrator</b> <b>Link Fund Solutions Pty Limited</b> Level 12, 680 George Street Sydney NSW 2000  <a href="http://www.linkgroup.com">www.linkgroup.com</a></p>
---	--	--

## ABOUT THIS INFORMATION BOOKLET

The information in this Information Booklet forms part of the PDS issued by The Trust Company (RE Services) Limited (**Perpetual, the Responsible Entity, we, our or us**) as responsible entity of the Eley Griffiths Group Emerging Companies Fund ARSN 616 328 128 (**Fund**) and dated 30 September 2022.

Defined terms used in the PDS have the same meaning in this Information Booklet unless stated otherwise.

We recommend that you keep a copy of the PDS for the Fund and this Information Booklet handy for future reference.

The Information contained in the PDS and this Information Booklet is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should read this Information Booklet together with the PDS (in their entirety) before making a decision to invest in the Fund. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances before proceeding to acquire or dispose of units in the Fund.

You can request a copy of the PDS and this Information Booklet free of charge by contacting the Investment Manager's office on 02 9271 0900 or you can download it from [www.eleygriffithsgroup.com](http://www.eleygriffithsgroup.com).

Eley Griffiths Group Pty Ltd ABN 66 102 271 812 (the **Investment Manager**), Link Fund Solutions Pty Limited ABN 44 114 914 215 (**LFS**) and National Australia Bank Limited ABN 12 004 044 937 (**NAB**) have each given, and as at the date of the PDS have not withdrawn their consent to inclusion in the PDS and this Information Booklet of the statements concerning them in the form and context in which they are included.

# CONTENTS

<b>ABOUT THIS INFORMATION BOOKLET</b>	<b>2</b>
<b>A HOW THE FUND WORKS</b>	<b>4</b>
A1 INVESTING AND WITHDRAWING	4
<b>B BENEFITS OF INVESTING IN THE FUND</b>	<b>6</b>
B1 BENEFITS AND FEATURES	6
<b>C RISKS OF MANAGED INVESTMENT SCHEMES</b>	<b>8</b>
C1 RISKS IN GENERAL	8
<b>D HOW WE INVEST YOUR MONEY</b>	<b>10</b>
D1 THE INVESTMENT PROCESS	10
<b>E FEES AND COSTS</b>	<b>11</b>
E1 PRESCRIBED INFORMATION ABOUT FEES AND COSTS	11
E2 ADDITIONAL EXPLANATION OF FEES AND COSTS	11
<b>F HOW MANAGED INVESTMENT SCHEMES ARE TAXED</b>	<b>14</b>
F1 PAYING TAX	14
F2 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)	14
F3 COMMON REPORTING STANDARD (CRS)	15
<b>G HOW TO APPLY</b>	<b>16</b>
G1 COOLING OFF	16
<b>H MORE INFORMATION</b>	<b>17</b>
H1 PRIVACY	17
H2 ANTI-MONEY LAUNDERING	17
H3 INVESTING VIA AN IDPS	18
H4 AMIT	18
H5 KEEPING YOU INFORMED	19
H6 CONSENTS	19
H7 RELATED PARTY TRANSACTIONS & CONFLICTS OF INTEREST	19

# PART A

## HOW THE FUND WORKS

### A1 INVESTING AND WITHDRAWING

#### Investing

To invest in the Fund, use the application form accompanying the PDS.

Additional investments can be made by completing an Additional Application form

Any distributions reinvested are reinvested at the ex-distribution mid-price. The ex-distribution mid-price is calculated by taking the value of the investments of the Fund and taking away the value of the liabilities as defined in the Fund's constitution including the provision for distribution. We make no adjustment for costs of buying or realising investments. We divide the result of this by the number of units we have on issue. These steps give us a per unit price used in connection with reinvestment of distributions.

#### Withdrawing

Units in the Fund are not listed on any securities exchange like the ASX, so you cannot sell your units through a stockbroker.

If you want to withdraw your money, simply complete a Withdrawal Form. This is called a redemption request.

LFS accepts scanned or faxed redemption requests on the following conditions:

- all instructions must be legible
- instructions must bear your investor number and signature and
- redemption proceeds will only be transferred to the financial institution account previously nominated on the application form and that is in your name.

To use this service you will need to accept full responsibility (to the extent permitted by law) for loss arising from us or LFS acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us and LFS in respect of any liabilities arising from us or LFS acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim against us or LFS in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The amount of money you receive is determined by the unit price calculated on the business day at the time your redemption request is accepted. We can withhold from amounts we pay you any amount you owe us or we owe someone else relating to you (for example, the tax office).

We pay redemption proceeds to your bank account, however we are permitted under the constitution of the Fund to pay proceeds in kind (i.e. in specie).

#### Payments can be delayed

We can delay withdrawal of your money for such period as considered reasonable in our view in all the circumstances if:

- there are not enough investments which we can easily turn into cash. We don't anticipate the Fund would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit
- something outside our control affects our ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty like a stock market crash). We can delay payment for so long as this goes on or
- we receive a quantity of withdrawal requests representing more than 5% of the value of the investments of the Fund from a single member or more than 10% of the value of the investments of the Fund from multiple members over a period of five consecutive business days. We can stagger withdrawal payments.

### **We can give you back your invested money without you asking**

We can also redeem some or all of your units without you asking including:

- if your account falls below the minimum investment amount
- if you breach your obligations to us (for example, you provide misleading information in your unit application form)
- to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to the Fund) by you
- to satisfy any amount of money we (as responsible entity or in any other capacity relevant to the Fund) owe someone else relating to you (for example, to the tax office) or
- where we suspect that law prohibits you from legally being an investor.

### **How we calculate unit prices**

We calculate unit prices in three easy steps:

1. we calculate the value of the investments of the Fund and take away the value of the liabilities as defined in the Fund's constitution
2. then we make an adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments – called a buy-sell spread). The buy-sell spreads do not represent a fee to Perpetual or the Investment Manager and are discussed in more detail in *Part E2 Additional explanation of fees and costs*
3. last, we divide the result of this by the number of units we have on issue.

These steps give us a per unit price.

# PART B

## BENEFITS OF INVESTING IN THE FUND

### B1 BENEFITS AND FEATURES

#### The Investment Manager

Eley Griffiths Group Pty Ltd (**Investment Manager**) is a boutique investment manager specialising in listed Australian and New Zealand small and emerging companies. The Investment Manager commenced operations in 2003 and today remains wholly independent and owned by staff.

The Investment Manager has a commitment to excellence in the management of small and emerging company portfolios and the team boasts a solid track record in the listed market.

The Investment Manager's investment process involves a stock scoring system across the emerging companies universe, assessing both quantitative and qualitative characteristics of a company over a three-year time horizon.

The stock selection of the Investment Manager relies heavily upon a positive combination of the two disciplines subject to particular risk management filters.

The business operates an outsourced service provider model, which affords the investment team time to concentrate their efforts on discovering stocks that have been inefficiently valued by the market.

#### Risk management

Depending on the type of investments a fund chooses to focus on, your decision to invest in one or perhaps more managed funds can be a good way to help better manage the impact of risk on your investments. Spreading risk often smooths the highs and lows of investment performance and helps reduce the impact on you of one or more types of investments performing poorly.

All investments are subject to varying risks and the value of an investment can decrease as well as increase (i.e. you can experience investment gains or investment losses). Changes in value can be significant and they can happen quickly. Investments within categories can have varying performance results. These results are dictated by the individual risk characteristics of the investment, timing and market volatility.

Not all risks can be eliminated and the risk management strategies that are adopted may not always be successful. However, the Investment Manager's risk management policies are an important step in minimising many of these risks.

#### Corporate governance

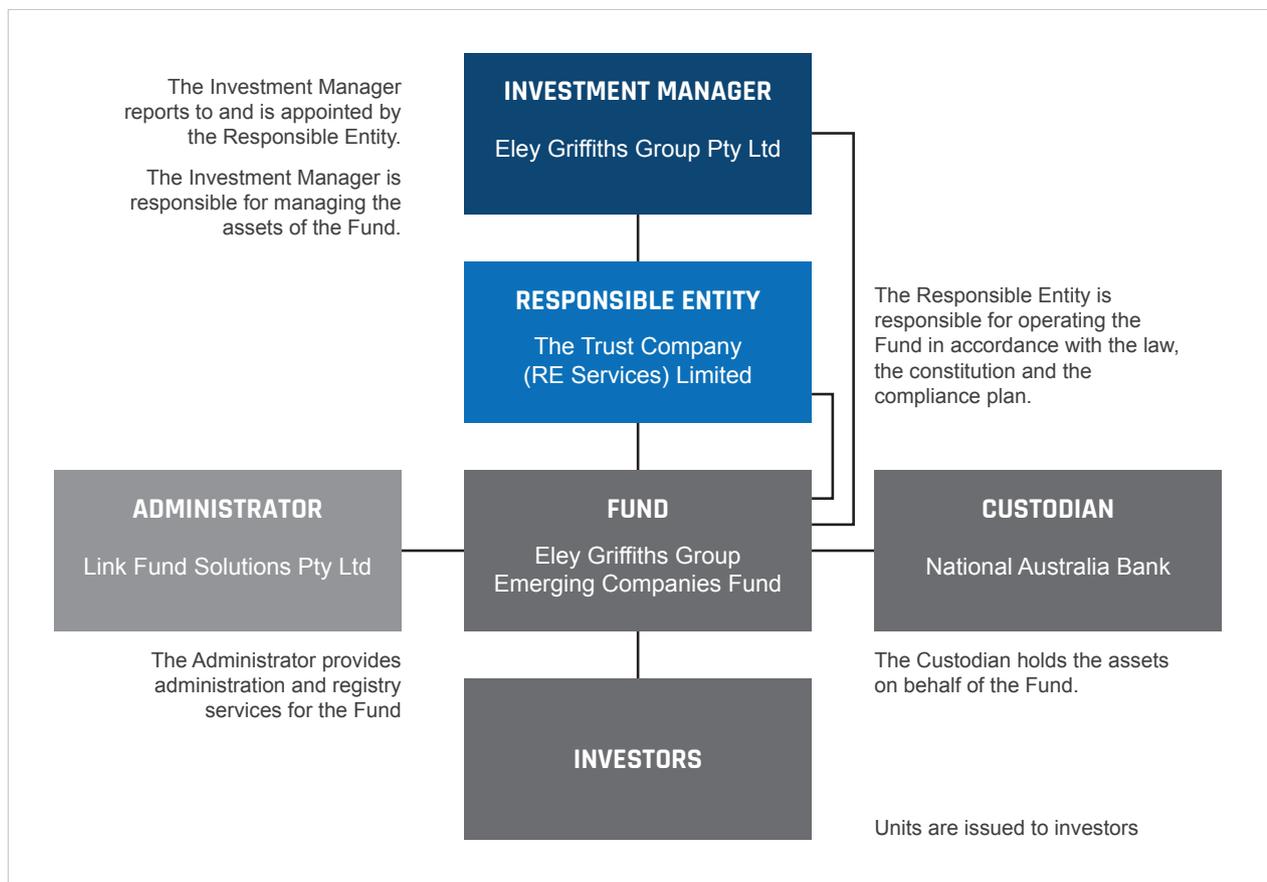
Under the Australian Corporations Act and the Fund documents, investors are provided with several layers of oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated by a responsible entity (Perpetual) that holds an appropriate AFSL. Perpetual has appointed NAB as the independent custodian to hold the assets of the Fund. Perpetual has appointed Eley Griffiths Group Pty Ltd as the investment manager of the Fund and LFS as the administrator of the Fund.

NAB's role as custodian is limited to holding the assets of the Fund as Perpetual's agent. NAB has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. NAB makes no statement in the PDS or this Information Booklet and has not authorised or caused the issue of it.

The Custodian holds investments of the Fund as bare trustee and such investments are not investments of, NAB or any other member of the NAB group of companies (NAB Group). Investments can be subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of Perpetual or its related entities.

The following diagram summarises the management, governance and organisational structure of the Fund



### Clear legal rights

The constitution establishes the Fund and sets out the rules governing its operations. Together with the PDS and the law from time to time, it governs your relationship with Perpetual and provides you with your (and our) legal rights.

It gives Perpetual rights to be paid fees and expenses and be indemnified from the Fund. It governs (amongst other things) Perpetual's powers (which are broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The constitution limits Perpetual's need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act imposes, Perpetual is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund, as long as Perpetual properly performs its duties.

The constitution also contains a provision that it alone is the source of the relationship between you and Perpetual and not any other laws (except, of course, those laws that can't be excluded).

Perpetual must obtain investor approval to make changes to the constitution that are adverse to the rights of investors as a whole. Perpetual is able to make other amendments to the constitution unilaterally.

You can obtain a free copy of the Fund's constitution by calling Perpetual.

# PART C

## RISKS OF MANAGED INVESTMENT SCHEMES

### C1 RISKS IN GENERAL

#### About Risk and Return

All investments are subject to varying risks and the value of your investment can decrease as well as increase.

Investment returns are affected by many factors including market volatility, interest rates and economic cycles. Changes in value can be significant and they can happen quickly.

The performance of the Fund will be influenced by many factors, some of which are outside the control of Perpetual and the Investment Manager.

The risks of investing in the Fund are:

- **Economic risk** – The performance of the Fund can be affected by a range of economic factors including changes in exchange rates, interest rates, inflation, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds and other tradeable investments and the general state of domestic and world conditions.
- **Market volatility** – Investments in the Australian and New Zealand share market, and in listed and unlisted entities can be volatile and may be subject to large price fluctuations from time to time. As a result of fluctuations in the price of securities in which the Fund invests, the value of the Fund and the price of a unitholder's Units in the Fund will change.
- **Investment risk** – There is a risk that investments chosen by the Investment Manager will not perform as well as others. Returns on investments may be adversely affected by changes in the underlying strength of cash flows, earnings and balance sheets of the entities in which the Fund invests. Factors which may cause this to happen include changes in company management, competitor behaviour, global events, currency movements and government policy. Individual investments made by the Fund will fluctuate in value and can fall in value for many reasons.
- **Liquidity risk** – Securities that are not actively traded may not be readily convertible into cash without some, and potentially significant, loss of capital. The Fund is not suited to those who seek a short-term investment, or who are adverse to unit price volatility, or who are unable to sustain a loss of investment capital. There are circumstances under which access to your money may be delayed (see Section 2 "How the Eley Griffiths Group Emerging Companies Fund works" and "Delays" in the PDS). Further, the level of overall market liquidity is an important factor that may contribute to the profitability of the Fund and access to your money. Illiquid markets can make it difficult to trade profitably and to realise assets in a timely fashion to meet withdrawal requests. Also, note that units in the Fund are not quoted on any stock exchange so for example you cannot sell them through a stockbroker. From time to time the investment manager may invest in unlisted companies. These will be companies intent on listing on either ASX/ NZX but whose securities are presently untradeable.
- **Income risk** – The level of income distributed to unitholders in the Fund can fall as well as rise, and the tax status of such income may also change.
- **Government and taxation policies** – Any changes in government and taxation policies may affect the amount of distributions receivable by unitholders, as well as the taxation treatment of those distributions in their hands.
- **Dependence on key personnel** – The Investment Manager and other key service providers are dependent on a small number of key personnel. It follows that the loss of key personnel of the Investment Manager or other key service providers may adversely affect the Fund's performance.
- **Cyber risk** – There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity or other service providers.
- **Potential conflicts of interest** – The Investment Manager may be the investment manager of other funds not described in this PDS and entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid the conflict.

- **Operational risk** – Risks associated with the operation of the Fund may include human error or a systems breakdown.
- **Interest rate risk** – This is the risk that the capital value or income of a security may be adversely affected when interest rates rise or fall.
- **Counterparty risk** – Counterparty risk is the risk that the counterparty to a transaction or contract (such as a broker or other agent of Perpetual) may default on their obligations and that the Fund may, as a result, experience an adverse investment outcome or liability.
- **Regulatory risk** – This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of the Fund's trading or investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws, or changes in generally accepted accounting policies or valuation methods. Laws affecting registered schemes may change in the future.

# PART D

## HOW WE INVEST YOUR MONEY

### D1 THE INVESTMENT PROCESS

The Fund principally invests in the equities of Australian and New Zealand companies listed on the ASX or NZX that fall outside the S&P/ASX 200 Index, and some cash. The Investment Manager is an active manager who makes decisions about buying and selling investments of the Fund on a daily basis.

The Investment Manager's philosophy involves a belief in stock-picking, the need for a disciplined stock selection process, rigorous risk control measures and an extensive company visitation programme. The Investment Manager undertakes over 800 company contacts per year.

The investment process involves a stock scoring system across the emerging companies universe, in which the stocks with the highest scores are included in the final portfolio.

The stock scoring process incorporates quantitative inputs, using a 'growth-at-a-reasonable-price' methodology, and qualitative inputs based around an appraisal of management and industry assessment.

The quantitative score compares relative growth profiles to identify those judged to offer superior risk-adjusted returns. The Investment Manager has an extensive library and database of emerging company financial models to facilitate this. The qualitative score involves assessing company management, their alignment with shareholders, the industry structure in which they operate and our assessment of the likely market opportunity. The total score is then used to determine whether a stock is to be included in the portfolio and if so, what weighting it receives.

The Investment Manager also has a discretion to apply a limited tactical shift to the core portfolio positions to generate value from factors that cannot be incorporated into the investment process.

# PART E

## FEES AND COSTS

### E1 PRESCRIBED INFORMATION ABOUT FEES AND COSTS

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money or from the returns on your investment or from the Fund's assets as a whole.

Taxes are set out in another part of this document.

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

### E2 ADDITIONAL EXPLANATION OF FEES AND COSTS

#### Additional service fees

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

#### About management fees and costs

Management fees and costs include the management fee, ordinary expenses, abnormal expenses and any indirect costs.

#### Management fee

The management fee is 1.26% per annum (including GST and net of RITCs) of the net assets of the Fund, and includes responsible entity fees, investment management fees, custodian fees (excluding transaction costs) and administration fees. The management fee is calculated and accrued daily based on the net asset value ('NAV') of the Fund. The accrued fees are paid in arrears from the Fund at the end of each month. The management fee reduces the NAV of the Fund and are reflected in the unit price.

#### Expenses

The constitution of the Fund provides that expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited. However, we have determined to cap our recovery of ordinary expenses for the Fund at 0.02% per annum (including GST and net of RITCs) of the net assets of the Fund. These are the ordinary and every day expenses incurred in operating the Fund and are deducted from the assets of the Fund as and when they are incurred. Any expenses in excess of this cap amount are paid by the Investment Manager personally and not out of the assets of the Fund.

While ordinary and every day expenses are capped, we reserve the right to recover abnormal expenses which is not subject to the cap. Abnormal expenses are expected to incur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund and termination and wind up costs.

#### Indirect Costs

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. any underlying fund that the Fund may invest in) and certain OTC derivative costs. The Fund's indirect costs are based on the financial year ending 30 June 2022 and are estimated to be 0.00%. Actual indirect costs for future years may differ.

#### Performance fee

Performance fees form part of the management costs of the Fund. The performance fee is 15.375% (including GST and net of RITCs) of the amount by which the Fund (after fees and expenses) outperforms its benchmark (the S&P/ASX Small Ordinaries Accumulation Index), provided the "high-water mark" has been exceeded. The high-water mark means no performance fee is payable for a performance period where at the end of that performance period the unit price on an accumulation basis (i.e. with distributions reinvested, but no performance fees deducted) is lower than the previous performance period end unit price calculated on the same basis. Performance periods end at 30 June and 31 December each year.

Before a performance fee can be paid the following conditions must be met, the:

- Fund must make a positive return in the performance period
- Fund must outperform the S&P/ASX Small Ordinaries Accumulation Index and
- previous high-water mark must be exceeded.

The performance fee is calculated daily and accrues to the unit price each day, the performance fee is generally paid at the end of each performance period, although it may not be payable each period. Performance fees when earned are payable to the Investment Manager from the assets of the Fund.

The table below gives an example of how the performance fee for the Fund is calculated when a performance fee becomes payable.

WORKED EXAMPLE FOR WHERE A PERFORMANCE FEE IS PAYABLE	HOW AND WHEN PAID
For 30 June we assume: <ul style="list-style-type: none"> <li>• the Fund's performance over the 12 month period was 16%;</li> <li>• the benchmark performance was 10%;</li> <li>• the high-water mark was exceeded;</li> <li>• the average value of the Fund during the period was \$50,000</li> </ul>	Accrued in the Fund's unit price and deducted from the assets of the Fund at the end of each performance period.
Fund outperformance for the period: = Fund Performance minus Benchmark performance = 16% - 10% = 6%	
Performance fee amount for the period: = performance fee multiplied by the Fund outperformance for the period = (15.375% x 6%) x \$50,000 = \$461	

### Transaction costs

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

Some of these transaction costs are recovered through the buy/sell spread. A buy/sell spread is an adjustment to the unit price reflecting our estimate of the transaction costs that may be incurred as a result of the purchase/sale of assets arising from the buying/selling of units. This adjustment ensures that existing investors do not pay costs associated with other investors acquiring/ withdrawing units from the Fund. The buy/sell spread is reflected in the entry/ exit price. Currently, our buy/sell spread is estimated to be +0.242% on the entry price and -0.242% on the exit price. So, if the net asset value of each unit is \$1.00, on entry we adjust the unit price up approximately 0.242% (up 0.0024 cents) and on exit we adjust the unit price down approximately 0.242% (down 0.0024 cents). There is no spread payable on reinvestment of distributions. The buy/sell spread is not paid to Perpetual or the Investment Manager. Because the buy/ sell spread is reflected in the entry/exit prices, you won't see transaction costs on any account statement we send you.

TOTAL TRANSACTION COSTS FOR FY2022	RECOVERY THROUGH AGGREGATE BUY/SELL SPREAD	NET TRANSACTION COSTS FOR FY2022
0.49%	0.05%	0.43%

Our estimate of the total transaction costs for the Fund during the year ended 30 June 2022 was calculated using the Fund's actual transactions during the last financial year. We expect this amount to vary from year to year as it will be impacted by the Fund's volume of trading, brokerage arrangements and other factors. The amount recovered through the aggregate buy-sell spread was calculated using actual applications and redemptions during the last financial year. We expect this amount to vary from year to year as it will be impacted by the volume of applications and withdrawals and any changes in the buy-sell spread for the Fund. The net transaction costs are the difference between these two amounts. All of these amounts are expressed as a percentage of the Fund's average net asset value for the year. Based on an average investment amount of \$50,000 over a one-year period, the net transaction costs represent approximately \$215.00.

### **Adviser remuneration**

No commissions will be paid by us to financial advisers.

You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in the Fund and is not an amount paid out of the assets of the Fund. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees and they will not be paid by us. We recommend that you check with your adviser if you will be charged a fee for the provision of their advice.

### **Can fees be different for different investors?**

The law allows us to negotiate fees with "wholesale" investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at our discretion.

If you qualify as a wholesale investor contact the Investment Manager to see if you're eligible to negotiate fees.

### **Can the fees change?**

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. The constitution for the Fund sets the maximum amount we can charge for all fees. If we wished to raise fees or performance fees above the amounts allowed for in the Fund's constitution, we would need the approval of investors.

We will give you (or your IDPS operator) 30 days' written notice of any proposed increases to these fees. We may accept lower fees than those disclosed in the fee table in this section.

### **Government charges and taxation**

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

The fees outlined in the PDS above take into account any reduced input tax credits which may be available.

# PART F

## HOW MANAGED INVESTMENT SCHEMES ARE TAXED

### F1 PAYING TAX

In all likelihood you will need to pay tax in relation to your investment in this Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. As this is a general outline, it is important that you seek professional advice before you invest or deal with your investment.

We will send you the information you need each year to help you to complete your tax return.

We will distribute income and capital gains, if any, shortly after 30 June each year. Distributions could comprise:

- income (like dividends and interest)
- net taxable capital gains (from the sale of the Fund's investments) and
- tax credits (like franking credits attached to dividend income and credits for tax paid on foreign income).

Distributions can form part of your assessable income and be subject to tax for the tax year in which the Fund generated the income and capital gains, even if your distributions are reinvested.

In addition to being taxed on your entitlement to gains and profits of the Fund, Australian residents are generally subject to capital gains tax on gains when they withdraw any money.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

Applying for and withdrawing units in the Fund, and receiving distributions, will not incur GST in Australia, GST, however, may be payable on our fees and certain reimbursement of expenses. Where the Fund is able to, it will claim input tax credits of at least 55% of the GST incurred.

On the Application Form, you may provide us with your Tax File Number (**TFN**), TFN exemption or an Australian Business Number (**ABN**), or if you are a non-Australian investor you may indicate your country of residence for tax purposes.

Although not compulsory to do so, if you choose not to provide us with your TFN or ABN and don't have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. We are permitted to collect TFNs under tax law, however the law is very strict on how we can use these details.

### F2 FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

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

In order to comply with these obligations, Perpetual will:

- collect certain information about you and undertake certain due diligence procedures to verify your FATCA status; and
- provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

### **F3 COMMON REPORTING STANDARD (CRS)**

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO. CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is a 'Financial Institution' under the CRS and complies with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. In order for the Fund to comply with its obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

# PART G

## HOW TO APPLY

### G1 COOLING OFF

If you are a retail client (as defined in the Corporations Act) investing directly in the Fund and decide that you don't want the units we have issued you in the Fund in the period set out below, we must repay

your money to you in accordance with this section. We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$25,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, the amount you receive will be the reduced unit value and you would incur a buy spread of +0.242% and a sell spread of - 0.242%. This means that \$24,630.35 would be transferred from the Fund back to you.

If you change your mind, you have 14 days to tell us, starting on the earlier of:

- when we send you confirmation that you are invested or
- 5 business days after we issue the units to you.

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

A cooling-off right does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined in the Corporations Act), or to additional investments, reinvested distributions or switches between funds

# PART H

## MORE INFORMATION

### H1 PRIVACY

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

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

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

Our privacy policy is publicly available at our website at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting us.

If you are investing indirectly through an IDPS (such as a master trust or wrap account), we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS operator for more information about their privacy policy.

### H2 ANTI-MONEY LAUNDERING

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

- verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Perpetual and LFS as its agent (collectively **the Entities**) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment. In the event of delay or failure by the investor to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

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

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and

The Entities may from time to time require additional information from you to assist it in this process.

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

### **H3 INVESTING VIA AN IDPS**

When you invest via an IDPS, it is the IDPS operator which becomes the investor in the Fund (not you). It follows that the IDPS operator has the rights of an investor and can exercise them (or not) in accordance with their arrangements with you. This means, for example, that you generally cannot vote on units held in the Fund and you do not have cooling off rights in respect of any units held in the Fund. Speak with the IDPS operator to determine whether any cooling off rights are available to you through the service.

Relevant references to “you” (for example, keeping you informed of material changes) are references to the IDPS operator or its custodian as the holder of the units.

We are not responsible for the operation of any IDPS through which you invest. Indirect investors complete the application forms for the IDPS and receive reports from that operator, not from us. The minimum investment, balance and withdrawal amounts may be different. You should also take into account the fees and charges of the IDPS operator as these will be in addition to the fees paid in connection with an investment in the Fund. Enquiries and complaints about the IDPS should generally be directed to the IDPS operator in the first instance and not to us. See Section 8 in relation to complaints about the Fund. You can however still rely on the information in this PDS. In addition to reading this PDS, you should read the document that explains the IDPS (generally called a “guide” or PDS).

### **H4 AMIT**

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

The Responsible Entity made the election for the Fund to operate as an AMIT. The AMIT rules contain several provisions that will impact on the taxation treatment of the Fund.

The Key features include:

- an attribution model for determining member tax liabilities, which also allows amounts to retain their tax character as they flow through the trust to its members;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

## H5 KEEPING YOU INFORMED

We will:

- confirm every transaction you make
- soon after June each year send you a report to help you with your tax return
- each year (around September) make the accounts of the Fund available to you upon request, send you your annual statement and
- notify you of any material changes to this PDS and any other significant event.

When you complete the application form you will be asked to make an election (which you can change at any time), whether or not you wish to have the annual financial report sent to you and (if it is sent to you) whether you wish to receive it in physical or electronic form. You can also request to have any annual financial report provided to you in physical or electronic form at any time by contacting us on the contact details shown on the first page of this document.

You can also choose whether to have notice of meeting and any other meeting related documents sent to you in physical or electronic form.

Once the Fund has 100 investors or more, it is considered a “disclosing entity” for the purposes of the Corporations Act 2001. This means it is subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors have a right to obtain a copy, free of charge, in respect of the Fund, of:

- the most recent annual financial report and
- any half yearly financial report lodged with ASIC after that financial report but before the date of this PDS.

Any continuous disclosure obligations we have will be met by following ASIC’s good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly should Perpetual, as responsible entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of its continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable on the Fund’s website <http://www.eleygriffithsgroup.com>.

## H6 CONSENTS

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

## H7 RELATED PARTY TRANSACTIONS & CONFLICTS OF INTEREST

Entities within the Perpetual Group may act in various capacities (such as responsible entity, trustee and custodians) for other funds or accounts. Other roles may conflict with the roles they play in operating and managing the Fund.

Perpetual Group have implemented policies and procedures to identify and, where possible, mitigate or avoid conflicts associated with the service providers of the Fund, including where Perpetual may act in various capacities in a transaction. All agreements with related party service providers have been entered into on terms that are similar to those the Responsible Entity would have negotiated with an unrelated party and the Responsible Entity must still ensure that the appointment of the related party is in the best interests of the members of the Fund. Each business carries out the services on behalf of separate legal entities. All documents and agreements are separately reviewed and signed off by each business unit. Perpetual also has separate supervision protocols applicable to relevant persons or entities whose principal function involves carrying out activities on behalf of or providing services to parties with potentially conflicting interests.