Reference Guide

TURA CAPITAL GLOBAL SMALL & MID CAP FUND

ARSN: 667 101 635 | APIR code: PIM6047AU
Date: 13 November 2024

The information in this Reference Guide forms part of the Product Disclosure Statement ('PDS') dated 13 November 2024 for the Tura Capital Global Small & Mid Cap Fund ('the Fund'). You should read this information in its entirety together with the PDS before making an investment decision about the Fund.

The information in this Reference Guide is general information only and does not take into account your personal objectives, financial situation or needs. Before investing, you should consider the appropriateness of the Fund having regard to your own objectives and financial situation and obtain financial advice tailored to your personal circumstances.

Information in this Reference Guide is subject to change from time to time. Information that is not materially adverse can be updated by us. Updated information can be obtained, free of charge, by contacting your Portfolio Service operator (for indirect investors), going to the Fund website at www.turacapital.com.au/investor-centre, or a paper copy can be obtained, free of charge, upon request by contacting Client Services on (07) 3229 5531 or via email client.services@dnrcapital.com.au.

Defined terms used in this Reference Guide have the same meaning as used in the PDS unless defined in this Reference Guide or the context requires otherwise.

1. How the Tura Capital Global Small & Mid Cap Fund works

General applications and withdrawals

No interest is earned on application money, proceeds of withdrawal requests and distribution amounts, which are held on trust prior to being processed.

The Administrator will provide written confirmation of each of your transactions as soon as practicable. This includes initial and additional investments and reinvestments.

Confirmation will be made to you by email or post.

Applications can be made by completing a paper copy of the Application Form and mailing it to:

Apex Fund Services Pty Ltd – Unit Registry
GPO BOX 4968
SYDNEY NSW 2001

Alternatively, applications can be made by completing the electronic version of the Application Form via the website at www.turacapital.com.au/portfolio-performance.

Additional applications can be made by completing an Additional Application Form and either mailing it to the address above, emailing to registry@apexgroup.com or faxing to +612 9251 3525.

For additional applications, investors also have the ability to use BPAY®[1]. For more information, please refer to www.turacapital.com.au/investor-centre

1 ®Registered to BPAY Pty Ltd ABN 69 079 137 518

Withdrawals from the Fund

Withdrawal terms

When you are withdrawing from the Fund, you should take note of the following:

- Withdrawal payments will only be made to an Australian bank account held in the name of the investor(s). Payments will not be made into third party bank accounts.
- We are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- We may contact you to check your details before processing your Withdrawal Request Form. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.
- If we cannot satisfactorily identify you as the withdrawing investor, we may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.

Withdrawal requests can be made by completing a Withdrawal Request Form and either mailing it to the address below, emailing to registry@apexgroup.com or faxing to +612 9251 3525.

Apex Fund Services Pty Ltd – Unit Registry
GPO BOX 4968
SYDNEY NSW 2001

If you are investing indirectly through a Portfolio Service, you should follow the instructions of the Portfolio Service operator when withdrawing your investment from the Fund.

Restrictions on withdrawals

Perpetual may, where we determine it is desirable for the protection of the Fund or in the interests of investors, suspend withdrawals from the Fund in certain circumstances as set out in the Constitution. The circumstances in which we may not give effect to all or part of the withdrawal request may include the following situations:

- Any relevant securities exchange is closed, or trading on such exchange is restricted.
- An emergency exists as a result of which it is not reasonably practicable for Perpetual to dispose of the assets of the Fund or to determine fairly the withdrawal price.
- Any state of affairs exists as a result of which it is not reasonably practicable for Perpetual to dispose of the assets of the Fund or to determine fairly the withdrawal price.
- Any moratorium declared by the Australian government or by any other foreign government where the Fund holds securities.

If Perpetual refuses to give effect to all or part of a withdrawal request in the above circumstances, Perpetual will advise you as soon as practical of such refusal.

In certain circumstances where there is a large withdrawal request or withdrawal requests which collectively represent a large number of units, Perpetual may treat the request or requests as a series of smaller requests over a number of days or weeks.

Under the Act, you do not have a right to withdraw from the Fund if the Fund is not liquid. In such circumstances you can only withdraw where Perpetual makes a withdrawal offer in accordance with the Act. Perpetual is not obliged to make such offers.

The Fund will generally be liquid if liquid assets (generally cash and marketable securities) account for at least 80% of the value of the assets of the Fund.

Unit pricing policy

Perpetual has a policy for unit pricing discretions we use in relation to the Fund. Additional documents may be prepared for this purpose from time to time. This document may be revised or updated to reflect changes in the Constitution or to our pricing policies. The unit pricing policy and documents prepared under that policy are available from us free of charge upon request.

Applications via a Portfolio Service

If you are investing indirectly through a Portfolio Service, you will be an indirect investor.

An investment in the Fund offered under the Fund's PDS and Reference Guide via a Portfolio Service does not entitle you to a direct interest in the Fund.

Some of the key differences in relation to being an indirect investor are outlined in the table below:

Registered holder	The Portfolio Service is the registered holder of units issued by the Fund. This means that: • The Portfolio Service records the balance of your investment in the Fund. • Transaction statements, notices and other Fund reports are sent to the Portfolio Service operator, who will then forward communications to you as required. Distributions are paid to the Portfolio Service operator or reinvested in the Fund on the instruction of the Portfolio Service operator.
Rights	The Portfolio Service operator holds the rights that apply to a person who invests directly in the Fund, and may exercise those rights. These rights include voting at meetings of investors of the Fund.
Transacting on your investment	Applications and withdrawals are determined by the Portfolio Service operator, including any requirements for minimum balances. Timing and processing of transactions (including applications, withdrawals and distributions) is determined by the Portfolio Service operator and may be different to the times and processes of the Fund. Cut-off times for transacting are determined by the Portfolio Service operator.
Fees and other costs	Additional fees and expenses may be charged by the Portfolio Service operator.
Complaints	In relation to any complaints about your investment in the Fund (as distinct from complaints about the Portfolio Service) you have the same rights to access the Responsible Entity's dispute resolution system as any retail client who acquires units directly in the Fund.

As an indirect investor, you should read the disclosure document for that Portfolio Service together with the PDS and this Reference Guide prior to investing. The Portfolio Service disclosure document contains important information that outlines their requirements in relation to who may invest, minimum balances, additional investments, processing applications and any other terms or conditions which they apply.

Perpetual has authorised the use of the PDS and this Reference Guide for the purpose of disclosure to direct investors as well as indirect investors.

Indirect investors should contact their financial adviser or Portfolio Service operator for any investor queries.

2. How we invest your money

Detailed investment strategy

Tura Capital's investment philosophy and beliefs are summarised as:

- Active management is most suitable for long-term global small to mid cap equity investing.
- Quality businesses that reinvest for future growth outperform through the cycle, but the purchase price matters.
- Quality businesses with sustainable growth will tend to trade at a premium.
- Environmental, social and governance (ESG) is a factor that contributes to a company's quality characteristics.
- Portfolio risk management is crucial.

Tura Capital believe that quality businesses outperform for these reasons:

- Quality businesses generate higher returns on capital which can be reinvested to drive sustainable growth over time.
- Businesses in structurally superior industries, with pricing power, can grow faster than the broader economy and are more protected against inflation.
- Strong balance sheets help to ride out market cycles.
- Quality businesses recognise the benefits of strong ESG policy, which tend to result in good business decisions, sustainable long-term investment returns and reduced tail risks.

Tura Capital believe that an investment process that seeks out quality businesses whilst taking a conservative approach in regard to valuation can enhance returns. Tura Capital believe that quality companies outperform the Benchmark over time, as investors attribute value to reflect the company's quality.

The investment process commences with a negative liquidity screen across the universe of the Benchmark securities. Companies are then assessed against the Tura Capital quality criteria using an 8-step "quality lens" process as outlined below. Each company is allocated a rating of between 1 and 5 on each of the quality lens factors.

The first stage is a 5-step quantitative assessment, which considers the following:

1. **Returns** – 30% weighting
2. **Balance sheet** - 25% weighting
3. **Earnings quality** – 20% weighting
4. **ESG** – 15% weighting, using Institutional Shareholder Services (ISS) ESG Performance Score.
5. **Margins** – 10% weighting

Detailed research is then conducted on companies identified through the screening process. This is a 3-step qualitative process which considers the following:

1. **Industry attractiveness** – Industry analysis is used to identify barriers to entry, pricing power across the value chain, industry growth rates, and competitive rivalry.
2. **Company sustainable competitive advantage** - Company analysis is undertaken to identify which players within the industry are able to win market share over the long-term. Factors analysed include management, product/service and strategy.
3. **Earnings risk** – Risk analysis is used to determine how predictable the business' earnings are. Key focus areas include earnings diversification, cyclicality, operating leverage, operational risk, country risk, currency risk, interest rate risk and ESG risk.

Companies that possess strong quality characteristics are preferred for inclusion in the portfolio, subject to portfolio risk management requirements.

Financial modelling and valuation work is then undertaken to determine if sufficient performance upside exists. Valuation methods vary depending on the specific nature of the business and the sectors in which it operates.

Tura Capital factor ESG risks and opportunities by incorporating the ISS ESG Performance Score into the risk-return assessment.

The ISS ESG Performance Score provides an independent and comprehensive scoring methodology and as an example may consider factors such as the following.

Category	Example factor	Examples of indicators and topics
Environmental	Environmental management	• Environmental management system • Energy management • Climate change strategy • Water risk and impact • Environmental management in the supply chain
Social	Suppliers	• Supplier standard with regard to labour rights and working conditions • Procedures to ensure compliance with the supplier standard on labour rights and working conditions • Measures to enable key suppliers to safeguard labour rights and improve working conditions
Governance	Corporate governance	• Board composition and independence • Remuneration • Shareholder rights • Auditing and accounting practices

Corporate engagement is undertaken by Tura Capital periodically and provides a forum to discuss corporate governance; strategy and capital management; and ESG issues with senior management. These engagements inform the investment decision-making and portfolio management process.

Having identified companies with attractive quality and value characteristics, the portfolio construction process considers the following factors:

- Company weightings reflecting conviction and stock specific risk.
- The risk versus return on offer and excess return relative to market forecasts.
- Exposures relative to Global Industry Classification Standard (GICS) sector framework and Tura Capital's proprietary factor risk framework.
- Top-down macro-economic aspects are reviewed based on preferred positioning relative to major thematics in the market.
- Country and currency exposures are also monitored.

Risk analytics are monitored on a daily basis and reported to the Investment Manager's investment committee meeting monthly.

Valuation of investments

All of the Fund's investments are valued at market value by an independent administrator appointed by Perpetual.

Environmental, social and ethical factors and labour standards

The Fund is not designed for investors who are looking for a product that meets specific ESG goals. Integration of ESG considerations does not imply that the Fund is marketed as an ESG product in Australia.

Where the impact is considered material, Tura Capital will factor ESG considerations when undertaking investment analysis to identify risks that may impact future financial performance in accordance with the Tura Capital ESG Policy available at turacapital.com.au/investor-centre. The outcomes of the ESG risk assessment and valuation assessment informs investment decision-making and portfolio construction.

While Tura Capital evaluates and assesses companies on ESG considerations, the extent to which they are taken into account in making investment decisions are considered on a case by case basis. Tura Capital's assessment utilises data from external data providers as well as its own assessment and has key regard to tail risks that could impact valuation. The ESG assessment forms part of a broader assessment of a company's overall quality attributes using the 'quality lens'. The process of monitoring the ESG considerations requires a subjective judgement as to the effect on a security's future financial performance. The monthly Investment Committee meeting provides a forum to discuss and review the various aspects of the Fund's investments including any ESG considerations.

However, Tura Capital has no pre-determined methodology on the extent to which labour standards and environmental, social or ethical considerations are taken into account, monitored or reviewed in making investment decisions as these factors are considered on a case by case basis.

It should be noted that decisions about whether to buy, hold or sell investments on behalf of the Fund are based primarily on financial analysis.

The Responsible Entity does not specifically take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Fund and has delegated investment decisions to Tura Capital.

Wholesale clients

Depending on your circumstances, you may be a wholesale client under the Act. You are generally a wholesale client if any one of the following applies to you:

- Your investment is $500,000 or more.
- You provide an accountant's certificate stating that you have net assets of at least $2.5 million or have earned a gross income of at least $250,000 in each of the last two

financial years.

- You are a professional investor (which applies if you hold an AFSL, are APRA regulated or have or control at least $10 million worth of gross assets).
- You are a company or trust that is controlled by persons who are wholesale clients.

If you are a wholesale client, you will not have any cooling-off rights and may not be able to take your complaints to AFCA.

Privacy statement

We may collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we 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
- the types of entities we usually disclose personal information to and the countries where they 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 or you can obtain a copy free of charge by contacting us. A copy of the Administrator's privacy policy is publicly available at www.apexgroup. com/privacy-policy

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

The Constitution

The Fund is governed by a Constitution that sets out how the Fund must operate, and together with the PDS and this Reference Guide, the Act and other laws, regulates Perpetual's legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the PDS, this Reference Guide and the Constitution. You can request a copy of the Constitution, free of charge, from Perpetual. Please consider these documents before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Act.

The Fund will terminate two days before the 80th anniversary of the establishment of the Fund, but Perpetual may terminate the Fund earlier by notice to investors. On termination, Perpetual will realise the Fund's assets and pay to investors their share of the net proceeds of realisation.

Anti-Money Laundering and Counter-Terrorism Financing legislation

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.

Perpetual and any agent acting on our behalf 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, Perpetual 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 it. Neither Perpetual nor our agents 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.

Perpetual has implemented a number of measures and controls to ensure we comply with our 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 Perpetual 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 Perpetual or our agents 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 Perpetual's compliance with the AML Requirements as they apply to the Fund; and
- Perpetual or any agents acting on our behalf may from time to time require additional information from you to assist it in this process.

Perpetual has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, Perpetual may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither Perpetual nor our agents are liable for any loss you may suffer as a result of Perpetual's compliance with the AML Requirements.

3. Risks of managed investment schemes

All investments carry risks and it is important to consider them before investing into the Fund. The following include the general risks that apply to an investment in a managed investment scheme.

Key personnel risk

Only a small number of investment professionals are responsible for managing the Fund and their personal circumstances can change or they may cease to be associated with the Fund. This may have an adverse impact on the Fund as the performance of the Fund depends on the skills and experience of personnel.

Management risk

Management risk refers to the risk that the Investment Manager will not achieve its performance objectives or not produce returns that compare positively against its peers.

Counterparty risk

This is the risk that any of the counterparties, such as brokers, which the Fund deals with may default on their obligations to pay monies or deliver securities to the Fund which may result in the investment activities of the Fund being adversely affected.

Potential conflicts of interest

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) in this structure and for other funds or accounts.

Perpetual Group has implemented policies and procedures to identify and where possible mitigate or avoid the conflict.

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 Perpetual or other service providers.

Fund risk

The profile of the returns you get from investing through a managed investment scheme may be different from those you would get if investing directly. In particular, applications into and withdrawals out of the Fund can impact on the amount and proportion of income and capital gains you may receive from the Fund. In addition, the Fund could terminate (for example, at a date we decide), fees and expenses could change (although we would give you 30 days' notice if fees were to increase), we could be replaced as responsible entity and our management and staff could change. Investing in the Fund may give different results than investing individually because of accrued income or capital gains and the consequences of others investing and withdrawing.

Climate change risk

The transition and physical impacts of climate change, and social and governmental responses to those impacts, may materially and adversely affect the value of the assets held by the Fund (directly or indirectly), or the markets to which the Fund has exposure. Transition risks are those that arise from the regulatory, geopolitical, market and technology changes required to transition to a low carbon economy.

Company transition risks include, but are not limited to, net zero commitments, energy procurement practices, potential carbon taxes, changes in consumer preferences and new climate related disclosure requirements. Physical risks are those that arise from the physical effects of climate change. Physical climate risks can be characterised as either acute or chronic risks. Acute physical risks are event driven risks such as increased severity of extreme weather events, for example, cyclones. Chronic physical risks refer to longer term changes in climate patterns such as sustained higher temperatures that may cause sea level rises or increase the severity of droughts. Chronic physical risks may not be felt every day but tend to compound over time.

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 (including those affecting registered managed investment schemes), or changes in generally accepted accounting policies or valuation method.

Operational risk

Perpetual has appointed the Investment Manager, Custodian and Administrator of the Fund. We are satisfied that these providers have in place adequate internal controls. However, there still may be break downs in operations and procedures that cannot be prevented that may result in a loss to the Fund. This could be the result of oversight, ineffective security processing procedures, computer system problems or human error. In addition, the Investment Manager, Custodian or Administrator of the Fund may change.

4. Fees and costs

Additional explanation of fees and costs

Management fees and costs

The management fees and costs for this Fund comprise the management fee. The management fees and costs reduce the NAV of the Fund and are reflected in the unit price thereby reducing your investment returns.

Management fee

The management fee is payable to the Investment Manager for managing the assets of the Fund. From its management fee, the Investment Manager pays responsible entity fees, custodian fees, administration fees and other ordinary Fund expenses (excluding transaction costs).

The management fee is calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid from the Fund monthly in arrears to the Investment Manager.

Performance fee

Depending on how the Fund performs, the Investment Manager may be entitled to a performance fee which is payable by the Fund. The performance fee percentage contained in the 'Fees and costs summary' and the 'Example of annual fees and costs' table in the PDS is calculated as the annualised performance fee paid by the Fund for the period since inception on 5 December 2023 to 30 June 2024 (being $45 based on a $50,000 holding) , expressed as a percentage of the net asset value of the Fund for the same period and based on assumptions which we consider are reasonable for the Fund. Investors should understand the performance fee estimate is not a forecast of the Fund's performance and may not be indicative of the Fund's actual future performance.

The formula for calculating the performance fee is equal to 15% (inclusive of GST net of any RITC) of any outperformance of the Fund relative to the MSCI World SMID Cap TR Index (Net in AUD) (the Benchmark) after management fees and subject to any prior underperformance being reduced to zero.

Note that even if the performance of the Fund is negative but has performed better than the Benchmark, a performance fee will still be payable, subject to any prior underperformance being reduced to zero.

Fund performance is calculated daily and is defined as the current pricing date's **Pre-Performance Fee NAV** less the previous pricing date's **Pre-Performance Fee NAV** adjusted for the current pricing date's **Capital Movements** and is expressed in dollar terms. Benchmark performance is calculated as the percentage change in the Benchmark value between the current pricing date and the previous pricing date multiplied by the previous pricing date's **Pre-Performance Fee NAV** adjusted for the current pricing date's **Capital Movements** and is expressed in dollar terms.

The daily performance fee is defined as (Fund performance – Benchmark performance) * 15%. Every pricing date's performance fee is accumulated and if the amount is positive then the performance fee is accrued as a provisional expense to the Fund in the unit price each day. If the accumulated performance fee is negative then no performance fee will accrue. If at the end of any **Performance Fee Period** the accumulated performance fee is negative then this amount will carry forward to the next **Performance Fee Period** and must be recovered before any performance fee can accrue.

The performance fee will be crystallised for payment if positive at the end of each **Performance Fee Period** and paid quarterly in arrears to the Investment Manager.

Pre-Performance Fee NAV

The NAV of the Fund after all accrued management fees, administration fees and ordinary expenses but before performance fee accrual.

Capital Movements

These include applications, withdrawals, distributions and distribution reinvestments.

Performance Fee Period

The Performance Fee Period is each three-month period ending on 31 March, 30 June, 30 September and 31 December.

The following are examples of the performance fee calculation referred to above. The examples are for a full period, though in reality, performance fees are calculated and accrued daily as if each day was a single period, in order to correctly adjust for applications, withdrawals, distributions, and distribution reinvestments.

Example 1: Performance fee

Assumptions

- The NAV at 31 December 2023 is $1,000,000
- The NAV at 31 March 2024 is $1,050,000 with no change in capital
- Benchmark return for the period is 2%

Fund performance is $1,050,000 - $1,000,000 = $50,000
Benchmark performance is $1,000,000 * 2% = $20,000
Outperformance is $50,000 - $20,000 = $30,000

Performance fee is $30,000 * 15% = $4,500

A performance fee of $4,500 is payable by the Fund to the Investment Manager.

Example 2: Performance fee

Assumptions

- The NAV at 31 December 2023 is $1,000,000
- The NAV at 31 March 2024 is $1,050,000 with no change in capital
- Benchmark return for the period is 6%

Fund performance is $1,050,000 - $1,000,000 = $50,000
Benchmark performance is $1,000,000 * 6% = $60,000
Outperformance is $50,000 - $60,000 = -$10,000
Performance fee is -$10,000 * 15% = -$1,500

No performance fee is payable by the Fund to the Investment Manager and the negative performance fee of $1,500 is carried forward to the next performance fee period and must be recovered before any performance fee can accrue.

Example 3: Performance fee

Assumptions

- The NAV at 31 December 2023 is $1,000,000
- The NAV at 31 March 2024 is $950,000 with no change in capital
- Benchmark return for the period is -6%

Fund performance is $950,000 - $1,000,000 = -$50,000
Benchmark performance is $1,000,000 * -6% = -$60,000
Outperformance is -$50,000 – (-$60,000) = $10,000
Performance fee is $10,000 * 15% = $1,500

A performance fee of $1,500 is payable by the Fund to the Investment Manager.

Expenses

The Constitution allows certain expenses to be paid from the Fund in relation to the proper performance of our duties in respect of the Fund. Such expenses include but are not limited to administration expenses incurred in relation to the operation of the Fund. All ordinary expenses relating to the operation of the Fund are currently paid by the Investment Manager from its investment management fee. Therefore, the ordinary expenses for the Fund are estimated to be 0.00% per annum of the net assets of the Fund. The Responsible Entity and the Investment Manager will periodically review this funding position and ordinary expenses may be deducted from the assets of the Fund when the Fund reaches a sufficient size. We will provide you with 30 days written notice prior to any change in this position.

Extraordinary expenses

Generally, the Investment Manager will pay ordinary Fund expenses incurred in managing the Fund.

However, if extraordinary or unusual expenses are incurred we may choose to recover these costs from the Fund.

Examples of this type of expense include the costs involved in:

- convening a meeting of investors;
- termination of the Fund;
- amending the Fund constitution;
- defending or bringing of litigation proceedings; or
- replacement of the responsible entity.

The management fees and costs estimate in section 6 of the PDS does not include any extraordinary expenses as we do not expect such expenses to be incurred in the foreseeable future.

Differential fees

Subject to the Act and the Constitution, Perpetual may negotiate lower or different fees with, or pay rebates to, certain investors that are wholesale clients as defined in the Act.

Buy-sell spread

The difference between the application price and the withdrawal price of the Fund is the buy-sell spread. The buy-sell spread represents a contribution to the transaction costs (such as brokerage) incurred by the Fund to buy or sell underlying securities in relation to each application or withdrawal. The buy-sell spread is an additional cost but as it is included as an adjustment to the unit price of the Fund, it is not charged to you separately.

The current buy-sell spread is +/- 0.25% of the value of an application or withdrawal of units in the Fund. For example, if you invested $50,000 in the Fund, the cost of the buy spread would be $125. If you withdrew $50,000 from the Fund, the cost of the sell spread would be $125. This charge is levied to investors transacting rather than investors remaining in the Fund.

There is no buy-sell spread on distributions from the Fund that are re-invested. The buy-sell spread does not represent a fee or income to Tura Capital or Perpetual, however, the buy-sell spread is an additional cost to you.

We may vary the buy-sell spread from time to time and prior notice will not normally be provided to you. Any revised spread will be applied uniformly to applications and withdrawals while that spread applies.

Transaction costs

Transaction costs associated with dealing with the Fund's assets may be recovered from the Fund.

Transaction costs may include brokerage, investment settlement fees and clearing costs when underlying assets are bought or sold and are paid from the Fund assets when incurred.

Transaction costs incurred as a result of unitholders coming into and going out of the Fund may be recovered by way of the buy-sell spread charged to investors.

Transaction costs not recovered through the buy-sell spread are additional costs to investors that reduce the assets of the Fund and are in turn reflected in the unit price. The transaction costs amount shown in the 'Fees and costs summary' in section 6 of the PDS are the annualised transaction costs incurred for the period since inception on 5 December 2023 to 30 June 2024 as a percentage of the NAV of the Fund for the same period, after taking into account the annualised costs recovered by way of the buy-sell spread. The figure of 0% reflects that, for the period since inception to 30 June 2024, the annualised amounts received by way of the buy-sell spread exceeded annualised transaction costs.

For that period, the buy-sell spread recovered on the issue and withdrawal of units exceeded the transaction costs incurred on buying and selling Fund assets (i.e. a positive contribution to Fund assets) by an amount equivalent to 0.67% p.a. of the NAV of the Fund (being $335 based on a $50,000 holding).

However, past performance is not a reliable indicator of future performance and this may not be reflective of future periods as it will depend on the level of applications and withdrawals received and the level of trading activity and transaction costs within the Fund.

The gross transaction costs (before taking into account the costs recovered by way of the buy-sell spread) incurred for the period since inception to 30 June 2024 as a percentage of the NAV of the Fund for that period is 0.20% p.a. and calculated to be $100 based on a $50,000 holding.

Transaction costs may vary for many reasons. As an example, brokerage varies as a result of the turnover in the underlying assets of the Fund as investment and market conditions change, which may affect the level of transaction costs not covered in the buy/ sell spread.

Goods and Services Tax ('GST')

All fees and expenses referred to in the PDS are quoted on a GST inclusive basis less any reduced input tax credits available to the Fund.

Taxes

A summary about the taxation considerations of investing in the Fund is set out in section 7 of the PDS.

Payments to Portfolio Service operators

Subject to the Act, payments may be paid to some Portfolio Service operators if they offer the Fund on their investment menus. Product access is paid by the Investment Manager and is not an additional cost to the investor.

Changes to fees and costs

Perpetual reserves the right to change fees and other costs without your consent, but subject to any limitations under the Constitution and applicable law. We will give you 30 days' notice prior to any increase in fees.

Under the Constitution, we are entitled to an entry fee, exit fee and a fee for additional fund administration services. We currently do not charge an entry or exit fee, and do not expect any additional fund administration services fees to be incurred. The Constitution also entitles us to charge a management fee of up to 3% per annum of the gross asset value of the Fund, which means we are charging less than the maximum allowed . For more information about these fees, please contact us for a copy of the Constitution.

5. How managed investment schemes are taxed

Foreign Account Tax Compliance Act ('FATCA')

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

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

Common Reporting Standard (CRS)

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS). CRS, like the FATCA regime, require 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. 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.