

# Perpetual Wholesale International Share Fund

## PDS Update

This flyer sets out changes to the Product Disclosure Statement, dated 1 December 2020 (PDS), for the Perpetual Wholesale International Share Fund ARSN 091 186 837 (Fund). The changes enhance the Investment Approach and ESG disclosures contained in the PDS including, how the tobacco screen is applied. The tobacco screen and ESG process remains the same.

Also, the 'Risk Level' for the Fund has been amended as noted below.

Capitalised terms in this flyer have the same meaning as set out in the Perpetual Wholesale International Share Fund PDS, dated 1 December 2020 unless stated otherwise.

### UPDATES TO 'HOW WE INVEST YOUR MONEY'

The following wording in the "How we invest your money" section of the PDS is deleted and replaced:

	PREVIOUS	NEW
<b>Investment Approach</b>	<p>The investment manager strives to achieve the above objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.</p> <p>The investment manager aims to select the most attractive securities to construct a well-diversified, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as:</p> <ul style="list-style-type: none"> <li>• price/earnings ratios below the market</li> <li>• price/book ratios below the market</li> <li>• enterprise value/free cash flow ratios below the market</li> <li>• dividend yields above the market.</li> </ul> <p>The Fund will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets.</p> <p>The portfolio has no direct tobacco stock exposure.</p> <p>The currency exposure in the Fund is unhedged.</p>	<p>The investment manager strives to achieve the Fund's objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.</p> <p>The investment manager aims to select the most attractive securities to construct a well-diversified, active portfolio that seeks to provide asymmetrical returns by participating in up markets while aiming to protect in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as:</p> <ul style="list-style-type: none"> <li>• price/earnings ratios below the market</li> <li>• price/book ratios below the market</li> <li>• enterprise value/free cash flow ratios below the market</li> <li>• dividend yields above the market.</li> </ul> <p>The Fund will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets.</p> <p>The currency exposure in the Fund is unhedged.</p> <p>The Fund does not invest in companies that are classified in the tobacco industry (including companies that manufacture cigarettes and other tobacco products) by the Global Industry Classification Standard (GICS®)<sup>1,2</sup></p> <p><sup>1</sup> For additional information on GICS please visit <a href="http://www.msci.com/our-solutions/indexes/gics">www.msci.com/our-solutions/indexes/gics</a></p> <p><sup>2</sup> The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and S&amp;P Global Market Intelligence ("S&amp;P") and is licensed for use by Perpetual Services Pty Limited. Neither MSCI, S&amp;P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use</p>

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<p><b>Environmental, Social, governance and ethical factors</b></p>	<p>The investment manager’s consideration of environment, social (which includes labour standards) and governance (ESG) factors generally does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, the investment manager considers those ESG risks only to the extent that they are relevant to the current or future value of the investment.</p> <p>However, the portfolio has no direct tobacco stock exposure.</p>	<p>The investment manager considers environmental, social (including labour standards) and governance (ESG) factors when selecting, retaining or realising investments of the Fund. It does not have a predetermined view as to what it regards as these ESG factors or how far such factors are to be taken into account. It does consider such factors, however, only to the extent ESG risks are relevant to the current or future value of an investment. Barrow Hanley’s consideration of ESG factors for the Fund does not include making ethical judgments on particular practices or issues.</p> <p>The investment manager is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), the Investor Stewardship Group (ISG) which is an investor-led group comprising US based institutional investors and global asset managers, and a member of the International Financial Reporting Standards (IFRS) Sustainability Alliance.</p> <p>Investment manager’s investment approach includes considering ESG factors as one of the matters that are relevant in its research and valuation analysis of a company. This analysis of ESG factors will include preparing a proprietary ESG Composite Score for a company. The score is prepared using external ESG ratings and internal research and is taken into account by the portfolio manager in assessing the current or future value of the investment and whether to buy, retain or sell an investment.</p> <p>The investment manager aims to:</p> <ul style="list-style-type: none"> <li>• Identify companies whose financial productivity is likely to be supported and enhanced into the future as a result of the move towards a more sustainable world, and</li> <li>• Counter potential risks arising as a result of ESG concerns that may be relevant to the particular industries or companies in which the Fund might invest and may include:</li> </ul> <p><b>Environmental:</b> Green-house gas emissions, climate change vulnerability/risk, and bio-diversity;  <b>Social:</b> Human capital (diversity and inclusion), supply chain management, and access and affordability;  <b>Governance:</b> executive pay, bribery and corruption, political lobbying and donations, and tax strategy.</p> <p>Where the investment manager believes it is in the interest of the relevant Fund's investors, they may also actively engage, either individually as a firm or jointly with other investors (as applicable), with companies to hold them accountable for their performance and conduct and, when necessary, facilitate change that will have a positive long-term effect on shareholder value.</p>

		The investment manager may opt to escalate unsuccessful management engagements to the board-or-director level of the particular company or may consider divestment as a last resort.
<b>Fund profile - Risk Level</b>	7 – Very High <sup>1</sup>	6 – High <sup>1</sup>

<sup>1</sup> The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees on the likelihood of a negative return. Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

The SRM for the Fund may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in its calculation and future changes to asset allocations by the investment manager. Any change to the SRM at any time will be available at our website.

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