

Pyrford International

BMO  Global Asset Management



Reference Guide

BMO Pyrford Global Absolute Return Fund

ARSN 168 994 205

1 February 2017

Issued by Perpetual Trust Services Limited ABN 48 000 142 049, AFS Licence No 236648

Contact details

If you have any questions or would like more information about the BMO Pyrford Global Absolute Return Fund, please Perpetual:

Phone: (02) 9229 9000

Mail: Level 18, 123 Pitt Street, Sydney, NSW, 2000

Website: www.perpetual.com.au

The information in this document forms part of the Product Disclosure Statement for the BMO Pyrford Global Absolute Return Fund dated 1 February 2017.



Contents	Page
1. About Perpetual	3
2. How the BMO Pyrford Global Absolute Return Fund works	3
• Your interests	
• Staggering or freezing of withdrawals	
3. Benefits of investing in the BMO Pyrford Global Absolute Return Fund	3
4. Risks of managed investment schemes	3
5. How we invest your money	4
• Types of investments	
• Investment guidelines	
• Environmental and ethical considerations	
6. Fees and costs	4
• Management Costs	
• Maximum Fees	
• Wholesale Investors	
• Financial adviser remuneration	
7. How managed investments are taxed	6
• Australian taxation	
• The Fund	
• Managed investment trust	
• Distribution	
• Franking credits	
• Foreign income tax offsets	
• Disposal or withdrawal of units	
• Tax file number	
• GST	
• AMIT	
• New Zealand taxation	
• New Zealand foreign investment fund (“FIF”) rules	
• Possible FIF exceptions	
• If FIF rules apply	
• Taxation of distributions from the Fund	
• Disposal or redemptions of units	
• Foreign currency gains and losses	
• Goods and services tax and stamp duty	
• US Tax Withholding and Reporting	
• Common Reporting Standard	
8. How to apply	10
9. Important additional information	10
• Warning Statement for New Zealand Investors	
• Rights of investors	
• Anti-money laundering requirements	
• Privacy	
• Rights of Perpetual	
• Retirement of Perpetual	
10. Definitions	13



1. About Perpetual

No additional information.

2. How the BMO Pyrford Global Absolute Return Fund works

Your interests

We may accept or decline all or part of an application without giving any reason. Application money is deposited into a non-interest bearing account with the custodian, pending its processing.

The Fund's assets and liabilities are usually valued each business day. Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Other assets are generally valued at recoverable value. Any income entitlements, cash at bank, and any amount of Goods and Services Tax (GST) recoverable by the Fund from the Australian Taxation Office are also included in asset values used to calculate the application and withdrawal unit price.

Generally, for unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets.

We have a policy for unit pricing discretions. The types of discretion we may exercise and when we can exercise the discretion are set out in our Unit Pricing Policy. The Policy is available by contacting Perpetual at no charge.

Confirmation of investments or withdrawals won't be provided for the regular investment or withdrawal plans.

You may invest indirectly in the Fund as an investor through an IDPS operator who acquires units in the Fund on your behalf. An indirect investor does not hold units in the Fund and does not acquire any rights relating to the Fund. The IDPS operator acquires these rights and can exercise, or decline to exercise, rights on your behalf according to the arrangements governing the IDPS. The offer document for your IDPS should have further details. The IDPS operator will provide you with all reporting for the Fund. The net performance of your investment in the Fund may be different from the information we publish, due to cash flows specific to your portfolio and any fees charged by the IDPS operator.

Staggering or freezing of withdrawals

Where the Fund is liquid, the responsible entity is required to process withdrawal requests. Where the responsible entity receives on any one business day withdrawal requests representing more than 5% of the units in issue, or over 5 consecutive business days receives withdrawal requests representing more than 10% of the units in issue, it may stagger withdrawal requests over the next successive 5 business days.

Where we determine it is desirable for the protection of the Fund or for the interests of the investors, we may suspend the issue or withdrawal of units or the calculation of application or withdrawal prices.

These circumstances are:

- closure or restriction of trading of a financial, stock, bond, note, derivative or foreign exchange markets
- an emergency or other state of affairs so that it is not reasonably practicable for Perpetual to acquire or dispose of units or determine unit prices
- a declaration of a moratorium in a country where the Fund has a significant portion of its investments.

Where withdrawals are frozen, applications will also be suspended. For withdrawal or application requests lodged during a freeze period, the withdrawal and application prices will be those next calculated after the end of the suspension.

3. Benefits of investing in the BMO Pyrford Global Absolute Return Fund

No additional information.

4. Risks of managed investment schemes

No additional information.



5. How we invest your money

Types of investments

The Fund may obtain exposure to the asset classes referred to in section 5 of the PDS, How we invest your money, by investing in exchange traded fund (ETFs).

Investment guidelines

The following investment guidelines apply to the Fund:

- 20% or less of the Fund's value invested in equities is invested in emerging market countries
- each equity investment is 5% or less of the total Fund value
- the Fund's holding consists of at least 40 securities.

These guidelines are part of the current risk management framework and are reviewed periodically for appropriateness. At times these guidelines may be breached due to market volatility. As such, the guidelines may change from time to time.

Environmental and ethical considerations

Whilst we intend to conduct our affairs in an ethical and sound manner, the Fund's investment criteria does not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment of the Fund.

The Fund will not invest in companies which predominantly produce tobacco or tobacco related products.

6. Fees and costs

Table 1

This table shows fees and other costs that you may be charged in the Fund. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Details about taxes are set out in a later part of this document at Section 7, How managed investment schemes are taxed. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and when paid
Fees when your money moves in or out of the Fund when your money moves in or out of the Fund		
Establishment Fee The fee to open your investment.	Nil	Not Applicable
Contribution Fee The fee on each amount contributed to your investment.	Nil	Not Applicable
Withdrawal Fee The fee on each amount you take out of your investment.	Nil	Not Applicable
Exit Fee The fee to close your investment.	Nil	Not Applicable
Management Costs		
The fee and costs for managing your investment.	0.90% of the Fund net value of your investment per year (inclusive of GST less reduced input tax credits).	The investment manager fees are included in these costs and are not an additional cost to investors. Fees may be negotiated with certain wholesale clients.* Refer to the breakdown of Management Costs in Table 2
Service Fees		
Switching Fee The fee for changing investment options.	Nil	Not Applicable



* Management costs are comprised of the management fee, indirect costs and recoverable expenses, which are variable. The management costs are capped at 0.90% of the Fund value of your investment per year (inclusive of the net effects of GST). What it costs you will depend on the fees you negotiate with your financial adviser or your IDPS (as applicable). For further information, refer to the information about fees paid to a financial adviser or information about wholesale investors which appears below.

Table 2 - Breakdown of management costs

Management Fee ¹	0.90% of the Fund net value of your investment per year	Calculated and accrued daily and paid monthly in arrears out of the Fund's assets.
Indirect costs ²	Nil	Paid from the assets of the Fund.
Recoverable expenses ³	Nil	All expenses in respect of the Fund are paid out of the Management Fee and not from the assets of the Fund

1. The Management Fee is inclusive of GST less reduced input tax credits.
2. The indirect costs in the above table include (a) the indirect costs that we know or ought to know for the previous financial year and (b) where we do not know or ought to know the indirect costs, a reasonable estimate of those indirect costs based on the information available to us as at the date of this PDS. Indirect costs are inclusive of GST less reduced input tax credits.
3. The expense recoveries in the above table are based on the actual Fund expenses for the previous financial year.

Management costs

Management costs consist of the management fee, indirect costs and recoverable expenses. The management fee is the fee we charge for overseeing the operations of the Fund and managing the assets of the Fund.

Management fee

The management fee is calculated and accrued daily and paid monthly in arrears out of the Fund's assets.

Recoverable expenses

We are also entitled to be reimbursed for expenses we incur in the proper performance of our duties and in connection with the day-to-day operation of the Fund, including audit fees, banking charges and the preparation of accounts. All expenses in respect of the Fund are paid out of the Management Fee and not from the assets of the Fund. If you are investing via an IDPS, fees and expenses applicable to the IDPS (as set out in the IDPS offer document or client agreement) are payable in addition to the fees and expenses in the PDS.

We are also entitled to be reimbursed from the Fund for abnormal expenses, such as the cost of unit holder meetings, defending legal proceedings, special valuation of assets and the costs of terminating the Fund. These abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any year. If they arise, Perpetual may deduct these expenses from the Fund.

Indirect costs

Indirect costs are any amounts paid from the Fund's assets that we know or where required, reasonably estimate will reduce the Fund's returns (including certain costs of investing in over-the-counter (**OTC**) derivatives), other than the management fee and recoverable expenses as set out elsewhere in this section. The indirect costs include (a) the indirect costs that we know or ought to know for the previous financial year and (b) where we do not know or ought to know the indirect costs, a reasonable estimate of those indirect costs based on the information available to us as at the date of this PDS. As at the date of this PDS, the Fund does not currently invest in OTC derivatives to gain investment exposure to certain assets and does not expect to do so in the upcoming financial years. The indirect costs of investing in OTC derivatives are therefore estimated as being nil.

Maximum Fees

The Fund's Constitution allows us to charge the management fees set out in the Constitution. Until further notice we will charge the lower management fee stated in the Product Disclosure Statement, rather than the higher management fee set out in the Constitution summarised in Table 2 below. Fees are shown inclusive of GST less reduced input tax credits. For further information about tax, refer to Section 7, How managed investment schemes are taxed.



Table 2

Maximum fees in constitution	Actual fee charged
3% p.a. of gross Fund value	0.90% p.a. of Fund net value
Entry fee – 5% of the application price	Nil
Exit fee – 5% of the proceeds of redemption	Nil

All estimates of fees in this section 6 are based on information available as at the date of this PDS. You should refer to the Fund's website www.bmogam.com/aus from time to time for any updates which are not materially adverse to investors.

Wholesale investors

We may negotiate management costs individually with certain wholesale investors (as defined by the Corporations Act 2001). All other fees remain the same. Accordingly, we may waive or rebate some of our fees to these wholesale investors so that they pay reduced fees. This is generally because they invest large amounts of money in the Fund.

We may enter into a variety of arrangements with service providers like IDPS operators that may involve us making payments to, and providing services to, these operators in return for the promotion of the Fund. These payments may be one-off or on-going and are paid by us out of our fees and are not an additional cost to investors.

Financial adviser remuneration

Your financial adviser will assist with understanding and managing your investment requirements. They may receive payment for providing these services. Your financial adviser meets their expenses from this remuneration, and also relies on it to provide an income. You may negotiate with your financial adviser for them to receive an ongoing adviser fee. These payments are in addition to the management costs referred to in this PDS.

You can choose for these payments to be deducted from your account as a percentage of your total investment value or as a specified dollar amount, both calculated on a per annum basis. The Fund administrator will deduct this fee and pay it to your financial adviser on your behalf on a monthly basis through the withdrawal of units if you complete the appropriate section in the application. Please note that the withdrawal of units has taxation consequences, refer to the Section 7 of the PDS, How managed investment schemes are taxed, for more details.

7. How managed investment schemes are taxed

Australian taxation

The taxation information in this Reference Guide is of a general nature and is current as at the date of this Reference Guide. This information provides a general overview of the tax implications for Australian tax resident investors that hold their units on capital account. The application of these laws depend on the individual circumstances of the investor.

The following comments should not be regarded as tax advice and it is recommended that investors should obtain independent professional tax advice about their specific circumstances. This section applies to Australian resident investors only.

The Fund

Under the Fund's Constitution, where investors are entitled to all of the distributable income from the Fund for a financial year, the Fund itself should not be liable for income tax. However, if for any reason there is distributable income to which no investor is presently entitled, the Fund will be taxed at the highest marginal tax rate in respect of the taxable income that corresponds to that amount.

Managed investment trust

The Fund intends to qualify as an eligible Managed Investment Trust (MIT). When the Fund qualifies as a MIT, it intends to make an irrevocable election to apply the capital gains tax (CGT) provisions as the primary regime for taxation of gains and losses from the sale of certain qualifying investments (which include shares). Currency forward contracts are not included in the list of qualifying investments. Investors that are individuals or superannuation funds should then be entitled to the CGT tax concessions on distributions of capital gains from the Fund.

Distributions

Where an investor is entitled to a share of the Fund's distributable income for an income year, the investor will be liable to tax on their proportional share of the taxable income of the Fund.

Investors will be assessed on their proportionate share of the Fund's tax net income in the financial year in respect of which their entitlement to the distributable income arises even though it may not have been received in that financial year.



Franking credits

Where the Fund receives franked dividends, the taxable net income of the Fund includes franked dividends and related franking credits. A credit for these amounts may be available in calculating unit holders' tax liabilities, depending on their specific circumstances and subject to various integrity rules, including the 45 day holding period rule.

Excess franking credits may be refundable to certain resident individuals and complying superannuation entities and in certain cases may generate tax losses for corporate entities.

Foreign income tax offsets

Australian resident investors may be entitled to claim foreign income tax offsets (FITOs) in respect of foreign tax paid on the foreign income received by the Fund. The ability to utilise the FITOs will be dependent upon each unit holders specific tax circumstances.

Disposal or withdrawal of units

Investors must include any realised capital gain or loss on disposal or withdrawal of their units (together with any capital gain distributed by the Fund) in the calculation of their net capital gain or loss for an income year.

The Fund may determine that some part of the withdrawal price of a unit represents a distribution of income for tax purposes for the financial year. Where the withdrawal price includes a distribution of income, any capital gain made is reduced by the taxable income amount included in the investor's assessable income.

A net capital gain will be included in an investor's assessable income. A net capital loss may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

In calculating the taxable amount of a capital gain, a discount of one-half for individuals and trusts or one-third for superannuation entities may be allowed where the units have been held for 12 months or more.

Tax File Number

In the Application form investors are asked to provide their tax file number (TFN) or Australian Business Number (ABN). Investors may quote their TFN or ABN (if applicable) in relation to their investment in the Fund. It is not an offence to fail to quote a TFN or ABN, but if investors do not provide their TFN, ABN or exemption, tax must be withheld from distributions at the highest marginal rate plus Medicare Levy.

GST

Generally, GST is payable by the Fund on fees and any reimbursement of expenses. The Fund may be entitled to claim Input Tax Credits and Reduced Input Tax Credits (RITCs) of currently between 55% of the GST paid in respect of certain fees and expenses, and 75% of the GST paid in respect of others.

AMIT

On 5 May 2016, the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 received Royal Assent, introducing into taxation law the new Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a 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 regime can apply to a trust that has elected into the AMIT regime from 1 July 2016. Based on current information of the Fund and the AMIT regime, we intend to elect the Fund into the AMIT regime, however, it is not known when this election will be made.

We will monitor the impact of the AMIT rules on the Fund in order to determine if it should elect into the regime. We will notify investors if we elect the Fund into the AMIT regime.

If we elect the Fund into the AMIT regime, the AMIT rules contain a number of provisions that will impact on the taxation treatment of the Fund. The key features of the new tax system will include:

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



In anticipation of electing the Fund into the AMIT regime, the Constitution of the Fund has been amended in accordance with ASIC Corporations (Attribution Managed Investment Trusts) Instrument 2016/489 (AMIT Instrument) which permits Perpetual as responsible entity to make amendments to the Constitution (to enable the election of the Fund into the AMIT regime) without member approval, subject to the satisfaction of certain conditions.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

New Zealand taxation

The following summary relates only to New Zealand tax, applies to prospective investors who are New Zealand tax resident, and who hold their units in the Fund on capital account. The statements are based on the law in effect at the date of the PDS for the Fund. This summary is of a general nature and should not be relied upon by prospective investors as taxation advice. The statements below are not intended to deal with all relevant considerations or possible circumstances, and the individual circumstances of each New Zealand investor may affect the taxation outcomes. Prospective New Zealand investors should seek their own taxation advice in relation to their own taxation position prior to investing in the Fund.

As the Fund is a unit trust, for New Zealand tax purposes it will be treated as a company, the units will be treated as shares and distributions will be treated as dividends.

This summary does not consider the New Zealand tax consequences for particular types of investors including those:

- (a) who hold their units for the purpose of resale, or as part of a profit-making undertaking or scheme, or as part of a business, or as trading stock;
- (b) who may be subject to specialist tax regimes – such as portfolio investment entities, life insurance companies, tax exempt organisations, superannuation funds, temporary New Zealand residents;
- (c) who are tax resident otherwise than solely in New Zealand;
- (d) who are (i) employees of BMO, Perpetual or Pyrford, or (ii) associates of employees of BMO, Perpetual, or Pyrford, or (iii) employees of an associate of BMO, Perpetual or Pyrford.

This summary also assumes that the Fund will not be a controlled foreign company for New Zealand taxation purposes ie that (i) no single New Zealand investor will hold a control interest in the Fund of 40% or more, and (ii) a group of 5 or fewer New Zealand investors will not hold control interests of 50% or more in the Fund, and (iii) a group of 5 or fewer New Zealand investors will not be able to control the exercise of decision-making rights in the Fund. Based on that assumption, the controlled foreign company regime has not been considered further.

Income tax implications for units in the Fund

New Zealand foreign investment fund (“FIF”) rules and the units in the Fund

New Zealand investors will need to consider whether the units in the Fund are attributing interests in a FIF and give rise to FIF income for New Zealand tax purposes. Because unit trusts are treated as companies for New Zealand tax purposes, under the FIF rules, unless an exemption is applicable, the units are likely to be an attributing interest in a FIF.

Possible FIF exemptions

There are a range of potential exemptions which may apply. New Zealand investors should seek their own tax advice as to whether an exemption is applicable in their circumstances.

There is an exemption from the FIF rules applicable to investments in an Australian unit trust (like the Fund) where:

- (a) the unit trust is solely Australian resident;
- (b) the New Zealand investor has a direct income interest (shares in a company are all that is needed, units being deemed shares);
- (c) a resident withholding tax proxy is appointed by the New Zealand investor in New Zealand;
- (d) the unit trust meets either the 25% minimum share turnover test or the 70% minimum distribution test.

The share turnover test requires that each year the unit trust must have total net realised gains from its share investments less their cost totalling 25% or more of the total unrealised gains from its profitable share investments. The 70% minimum distribution test requires that the total amount of distributions made by the unit trust during that year must be 70% or more of the total distributable gains.

An alternative exemption from the FIF rules may be applicable for particular New Zealand investors who hold a 10% or greater income interest in the Fund, where that Fund is solely Australian tax resident. This summary assumes that New Zealand investors are likely to hold income interests of less than 10%, and that particular exemption has not been considered further.

A further exemption applies to New Zealand investors who are natural persons or certain kinds of trusts if their total FIF interests have a total cost of less than NZ\$50,000, unless the New Zealand investors in that category specifically elect for the FIF rules to apply.



If FIF rules apply

If no exemptions from the FIF rules are applicable and the units in the Fund are an attributing interest in a FIF, New Zealand investors should be liable for New Zealand income tax on attributed income calculated under a method set out in the FIF rules. If the FIF rules are applicable, New Zealand investors should seek specific advice about the applicable method to apply which is best for their circumstances.

In general terms, the fair dividend rate (FDR) method is the primary method applicable to income interests of less than 10%. Under the FDR method, the FIF income would be 5% x the opening market value of the units (adjusted for any units bought and sold during the income year). If the FIF rules are applicable, distributions from the Fund are not taxed separately as dividends. This is further outlined below.

Taxation of distributions from the Fund

If the FIF rules mentioned above are applicable, distributions derived by New Zealand investors on the units should not be subject to New Zealand tax.

If the FIF rules are not applicable (due to an exemption from the FIF rules being applicable), New Zealand investors should be liable to New Zealand tax at their applicable marginal tax rate on distributions from the Fund which will be treated as dividends for New Zealand tax purposes. It should be noted that dividends may also arise for New Zealand tax purposes if the units are redeemed or repurchased by the Fund and tax advice should be sought by New Zealand investors in those circumstances.

If the New Zealand investor is a New Zealand company, it is unlikely that the exemption for New Zealand tax for dividends from foreign companies should be applicable, if the exclusion from the FIF rules is due to one of the FIF exemptions outlined above.

Where Australian withholding tax has been deducted from a distribution received by a New Zealand investor, a New Zealand tax credit should be available up to the amount of the New Zealand tax applicable to the dividend.

Disposal or redemptions of units

Assuming the FIF rules do not apply, New Zealand income tax should not arise to a New Zealand investor on any profits from the disposal of the units in the Fund, assuming the New Zealand investor has not acquired the units for the purpose of disposal, as part of a profit-making undertaking or scheme or as part of a business (for example a dealing business).

If the FIF rules apply, depending on the calculation method adopted under those rules, adjustments to the calculation of income attributable under the FIF rules can arise to reflect the disposal of units during the income year.

As is noted above, it should be noted that if units are redeemed or repurchased by the Fund as opposed to being sold by New Zealand investors, that may give rise to a taxable dividend to New Zealand investors for New Zealand tax purposes. New Zealand investors should seek New Zealand tax advice prior to redeeming their units in the Fund.

Foreign currency gains and losses

The issue of the units in Australian dollars should not lead to New Zealand tax consequences for New Zealand investors (assuming they are not in the business of investment), as any gains or losses attributable to the difference between New Zealand dollars and Australian dollars are attributable to the units - specifically excluded from New Zealand's financial arrangements rules.

Goods and services tax and stamp duty

No New Zealand goods and services tax will be applicable to any distributions from the Fund, any disposal of the units, nor to the initial subscription for the units by New Zealand investors. In addition, there is no stamp duty regime in New Zealand.

US Tax Withholding and Reporting under the 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 details of all US persons and suspected US persons in the Fund to the US tax authorities, to prevent a 30% FATCA withholding tax on certain income and proceeds of the Fund. The responsible entity may therefore request that investors and prospective investors provide certain information in order to comply with the requirements.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Each Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the Australian Tax Office (ATO). In order for the Fund to comply with their 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. The CRS will apply to the Fund with effect from 1 July 2017.



8. How to apply

No additional information

9. Important additional information

Warning Statement for New Zealand Investors

The 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 the 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 market 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://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 an appropriately qualified financial adviser.

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

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

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

Investors should seek professional advice, having regard to their particular circumstances, and satisfy themselves as to the tax implications, both in Australia and New Zealand, of investing in the Fund.

Rights of investors

The Fund was established by a Constitution dated 7 April, 2014, as amended.

The Constitution, together with the Corporations Act, sets out the legal rights, duties and obligations of Perpetual as responsible entity and the investors and includes the following provisions:

- the rights, interests and liabilities of investors
- the duties and obligations of Perpetual
- investment, valuation and borrowing powers
- fees and recoverable expenses
- unit application and withdrawal procedures
- convening and conduct of investor meetings
- the duration and termination of the Fund
- the right to Fund distributions
- the right to a limitation of liability of unit holders to the issue price of units (however, this limitation has not been tested before superior courts).

If investing through an IDPS, you do not become an investor in the Fund, the IDPS operator does so on your behalf. Refer to Section 2, Your Interests, for further information.

The constitution allows for more than one class of units to be offered to investors. Currently there is only one class of investors.

We may vary the constitution of the Fund if the variation does not adversely affect investors' rights, or otherwise the variation must be approved by 75% of votes cast by investors in the Fund.



This document contains only a summary of some of these provisions and should be seen as a guide. The Constitution is lodged with ASIC.

In the future, the Fund may become a disclosing entity under the Corporations Act and be subject to regular reporting and disclosure obligations. Copies of documents lodged with the ASIC for the Fund may be obtained from, or inspected at, an ASIC office.

If the Fund is a disclosing entity under the Corporations Act, you have a right to obtain a copy of the following documents at no charge to you:

- the annual financial report most recently lodged with ASIC by the Fund
- any half-year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of the PDS
- any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of the PDS.

If the Fund is a disclosing entity, we will disclose information to you which may have a material effect on the price or value of units or would be likely to influence persons who commonly invests in deciding whether to acquire or dispose of units. You have a right to obtain a copy of these documents at no charge. Please call Perpetual on (02) 9229 0000 and they will provide you with a copy of the requested document within 5 days.

In an effort to protect the confidentiality of its positions and information related thereto, the Fund generally will not disclose information to Unitholders on an ongoing basis except as described in section 9 of the Reference Guide. However, subject to applicable law, the Fund and/or Manager may permit disclosure on a select basis to certain Unitholders under particular circumstances, including:

- to enable Unitholders to comply with their legal or regulatory requirements;
- if the Manager determines that there are sufficient confidentiality agreements and procedures in place; and/or
- other criteria have been met.

Anti-money laundering requirements

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML Act') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the responsible entity ('AML Requirements'), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ('AUSTRAC'). To comply with the AML Requirements, the responsible entity is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if 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.

The responsible entity and Fund administrator as its agent reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment.

If there is a delay or failure by the investor to produce this information, the responsible entity and Fund administrator may refuse to accept an application and the application monies relating to the application or may suspend payment of withdrawal proceeds if necessary to comply with AML Requirements. Neither the responsible entity and Fund administrator nor their delegates are liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any application or payment of withdrawal proceeds.

The responsible entity and Fund administrator 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 the responsible entity or Fund administrator has reasonable grounds to believe 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 responsible entity and Fund administrator are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- The responsible entity and Fund administrator may from time to time require additional information from you to assist it in this process.

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

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.

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 or you can obtain a copy free of charge by contacting us. A copy of the Fund administrator's privacy policy is publically available at [insert website].

If you are investing indirectly through an IDPS, 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.

Rights of Perpetual

Perpetual:

- may change the terms and conditions set out in the Product Disclosure Statement or this Reference Guide
- may rely on the advice of agents, investment managers, advisers, brokers or other contractors and will not be liable for their acts or omissions, provided it exercises care in their selection
- is not liable for loss to investors, except to the extent the loss is caused their failure to properly perform their duties as responsible entity
- may be fully indemnified from the Fund for any liability incurred by it in properly performing its duties for the Fund
- is not liable to investors to any greater extent than the assets held in the Fund, subject to the Corporations Act.

Retirement of Perpetual

Perpetual may retire as responsible entity and may appoint a new responsible entity in accordance with the Corporations Act and the requirements of the investment management agreement entered into between Perpetual and Pyrford



10. Definitions

application price: the price at which Units are issued which is based on the Fund net value at the time of application divided by the number of units on issue and adjusted to include the transaction cost.

assets: an investment made by the Fund.

business day: any day except Saturday, Sunday or a public or bank holiday in Sydney.

Constitution: the deed under which the Fund was established.

Corporations Act: the Corporations Act 2001 (Cth).

custodian: State Street Australia Limited

dollars or a reference to currency means Australian dollars.

FATCA: the US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act 2010.

Fund: BMO Pyrford Global Absolute Return Fund.

Fund net value: the Fund value less the liabilities of the Fund.

Fund value: the total value of assets held by the Fund.

GST: the tax payable under A New Tax System (Goods and Services Tax) Act 1999 (Cth).

ICR: the indirect cost ratio, which is a measure of the fees and costs you can expect to pay if you invest in the Fund, being the total of management costs of the fund during a financial year, represented as a percentage, which is not deducted directly from you.

investor: a unit holder in the Fund.

Investment manager: Pyrford International Ltd.

Perpetual: Perpetual Trust Services Limited.

Product disclosure statement or PDS means the Product Disclosure Statement for the BMO Pyrford Global Absolute Return Fund which includes the information in this document.

Pyrford: Pyrford International Ltd.

responsible entity: Perpetual Trust Services Limited.

State Street: State Street Australia Ltd.

transaction cost: an amount paid into the Fund to cover the costs of buying or selling assets of the Fund. This includes any tax or duty or valuation required for Fund property to effect an acquisition or sale.

unit: a fully paid ordinary unit in the Fund.

unit holder: a person noted on the unit register as the holder of a unit, including persons jointly registered.

withdrawal price: the price at which units are sold which is based on the Fund net value at the time of withdrawal divided by the number of units on issue and decreased by the amount of the transaction cost.