

Totus Alpha Long Short Fund

PRODUCT DISCLOSURE STATEMENT

ARSN 637 884 532

APIR PIM6284AU

Date issued 20 March 2024

Responsible Entity

The Trust Company (RE Services) Limited
ABN 45 003 278 831 | AFSL No. 235150

Investment Manager

Totus Alpha Management Pty Limited
ABN 42 155 226 734

A Corporate Authorised Representative
(CAR No. 419151) of Totus Capital Pty Limited
ABN 96 151 256 772 | AFSL No. 409468

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IMPORTANT INFORMATION

This is the Product Disclosure Statement (**PDS**) for units in the Totus Alpha Long Short Fund (ARSN 637 884 532) (the **Fund**) and was issued on 20 March 2024. This PDS has been prepared and issued by The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL No. 235150) in its capacity as the Responsible Entity of the Fund (referred to throughout this PDS as the **Responsible Entity**, the **RE**, **Perpetual**, **us** or **we**). The Investment Manager of the Fund is Totus Alpha Management Pty Limited (ABN 42 155 226 734), a Corporate Authorised Representative (CAR No. 419151) of Totus Capital Pty Limited (ABN 96 151 256 772, AFSL No. 409468 and is referred to throughout this PDS as the **Investment Manager** or **Totus**. The custodian and administrator of the Fund is Apex Fund Services Pty Ltd (ABN 81 118 902 891, AFSL No. 303253) and is referred to throughout this PDS as **Apex**, the **Custodian** or the **Administrator**.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors (referred to through this PDS as **investor**, **you**, **your** or **Unitholder**) who invest directly in the Fund, as well as investor and prospective investors of an investor directed portfolio service, master trust, wrap account, an investor directed portfolio service-like scheme or similar service (**IDPS**). This PDS is available for use by persons applying for units through an IDPS (**Indirect Investors**).

The operator of an IDPS is referred to in this PDS as the **IDPS Operator** and the disclosure document for an IDPS is referred to as the **IDPS Guide**. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund.

Perpetual, the Investment Manager, and each of their respective employees, associates, agents and officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is not an indicator of future performance. An investment in the Fund should be regarded as speculative. An investment in the Fund does not represent a deposit with or a liability of Perpetual, the Investment Manager, or any of their respective, associates, agents and officers. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety.

The offer made in this PDS is only available to persons receiving this PDS in Australia and New Zealand (electronically or otherwise). New Zealand investors should refer to the section "Information for New Zealand investors". This PDS is not to be treated as an offer to sell, or a solicitation of an offer to buy, any units in any jurisdiction in which it is unlawful to make such an offer or solicitation or to any person to whom it is unlawful to make such an offer or solicitation. If you received this PDS electronically a paper copy will be provided free upon request during the life of this PDS. Please call Totus on +61 2 8072 9945 or email ir@totuscapital.com.au for a copy.

New Zealand investors should note that international fund transfers may result in delays in our ability to accept applications.

Information regarding how Indirect Investors can invest in the Fund (including an application form where applicable) will also be

contained in the IDPS Guide. Perpetual accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Perpetual or to withdraw the PDS from circulation if required by Perpetual. Please ask Totus if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. You should rely on your own enquiries and analysis of the merits and risks relating to the Fund when deciding whether to invest in the Fund. Past performance is not an indicator of future performance.

A Target Market Determination (**TMD**) has been prepared for the Fund. A copy of the TMD can be obtained free of charge upon request by contacting the Investment Manager or visiting www.totuscapital.com.au. You should consider all of the PDS before making a decision to invest in the Fund.

This PDS has been prepared without taking into account your objectives, financial situation or needs. Therefore you should consider the appropriateness of the Fund having regard to your own objectives, financial situation and needs. This PDS is not a recommendation by the Responsible Entity, the Investment Manager, and any of their respective employees, associates, agents and officers of an investment in the Fund. In considering whether to invest in the Fund, you should consider the risk factors that could affect the financial performance of the Fund. The key risk factors affecting the Fund including delays in repayment and loss of income or principal amount invested are summarised in section 7. Investors should ensure they are fully aware of these risks before investing in the Fund and should read the entire PDS. In addition, investors should obtain their own legal, tax, accounting or commercial advice and/or speak to a financial adviser, before proceeding to acquire or dispose of units in the Fund.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- By calling Totus on +61 2 8072 9945; or
- By visiting the Fund's website at www.totuscapital.com.au

A paper copy of the updated information will be provided free of charge on request.

This PDS must be read in conjunction with the constitution of the Fund (**Fund Constitution**). Prospective investors should review the Fund Constitution for further information regarding their rights and obligations as unitholders in the Fund and the rights and obligations of the Responsible Entity. To the extent that there are any inconsistencies between the Fund Constitution and this PDS, the Fund Constitution prevails.

References to "dollars" or "\$" are to Australian dollars, unless otherwise indicated. Unless otherwise stated, all fees quoted in the PDS are inclusive of Goods and Services Tax (**GST**) after allowing for an estimate for Reduced Input Tax Credits (**RITCs**), and all amounts are in Australian dollars. All times quoted are Sydney time (unless otherwise specified) and a business day is a working day for the Responsible Entity in Sydney.

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FUND AT A GLANCE

	Summary	Further information
Name of the Fund	Totus Alpha Long Short Fund	
ARSN	637 884 532	
APIR	PIM6284AU	
Investment strategy and investments held	<p>The Fund gains its exposure by investing in the unregistered Totus Alpha Fund (Underlying Fund) and cash.</p> <p>The Underlying Fund is a long short equity fund that utilises fundamental bottom-up company research to identify mispriced securities. It may hold long or short stock positions (or derivatives) to profit from this mispricing. Securities will generally be listed (or expected to list within 6 months of first acquiring the security) on a global stock exchange.</p>	Section 5
Investment objective	The Fund aims to maximise returns for Unitholders through investment in the Underlying Fund which utilises fundamental industry and company research and active portfolio management. ¹	Section 5
Recommended investment time-frame	5 to 8 years ²	
Unit pricing	Daily	Section 9
Minimum initial investment	\$25,000 (unless otherwise agreed with the Responsible Entity and the Investment Manager)	Section 9
Minimum additional investment	\$10,000 (unless otherwise agreed with the Responsible Entity and the Investment Manager)	Section 9
Minimum withdrawal amount	\$25,000 (unless otherwise agreed with the Responsible Entity and the Investment Manager)	Section 9
Minimum investment balance	\$25,000 (unless otherwise agreed with the Responsible Entity and the Investment Manager)	Section 9
Cut off time for applications	If applications are received and accepted by Apex before 3.00 pm Sydney time, then they are generally processed each business day using the unit price calculated for that day. If applications are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day.	Section 9

¹ There is no guarantee that the Fund's investment objective will be achieved. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective. The Fund may not achieve its investment objective irrespective of market conditions being stable or volatile. Returns are not guaranteed.

² This suggested investment period may not be appropriate for you at all times or suit your particular needs. You should regularly review all aspects of your investments.

FUND AT A GLANCE (CONT.)

	Summary	Further information
Cut off time for withdrawals	If withdrawal requests are received and accepted by Apex before 3.00 pm Sydney time, then they are generally processed each business day using the unit price calculated for that business day. If withdrawal requests are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day.	Section 9
Withdrawal proceeds payable	Generally withdrawal proceeds are payable within 10 business days after the withdrawal price has been calculated.	Section 9
Valuation of the Fund's assets	Daily	Section 5.3
Transfers	Permitted	
Fund fees and costs	<ul style="list-style-type: none"> • Management fees and costs – 2.08% p.a. of the net asset value (NAV) of the Fund, comprised of: <ul style="list-style-type: none"> ◦ Management fee – 1.62% p.a. of the NAV of the Fund ◦ Ordinary expenses – estimated to be 0.18% p.a. of the NAV of the Fund ◦ Indirect costs – estimated to be 0.28% p.a. of the NAV of the Fund • Performance fee – 20.5% of the total return of the Fund (after the payment of the management fee and expenses and after adjustments for any income or capital distributions) subject to the high-water mark and exceeding the performance of the benchmark (being the Reserve Bank of Australia's cash rate) (Benchmark) • Net transaction costs – estimated to be 0.52% p.a. of the NAV of the Fund • Establishment fee – nil • Contribution fee – nil • Withdrawal fee – nil • Exit fee – nil • Switching fee – nil 	Section 8
Buy/sell spread	+0.25% / -0.25% of the value of the units bought or sold.	Section 8
Risks	Investment in the Fund involves significant risk such as the loss of income or capital invested. Each prospective investor should carefully review this PDS before deciding whether to invest in the Fund.	Section 7
Underlying Fund	The Fund gains its investment exposure through investment in the Underlying Fund and cash. Within the Underlying Fund, a separate class of units has been established. This is to facilitate investments by the Fund into the Underlying Fund. The class of units in the Underlying Fund are offered under materially the same terms as existing units in the Underlying Fund other than in relation to fees.	Section 4.7
Reporting	Confirmations are sent to Unitholders following approval of your application. Monthly reports are provided to Unitholders.	Section 10
Distribution frequency	Annually – 30 June each year (if any).	Section 9.12

ASIC BENCHMARKS

The information summarised in this section of the PDS and explained in detail in the identified section references address key areas as required by ASIC Regulatory Guide 240 applicable to hedge funds and is intended to assist you with analysing an investment in the Fund. You should read this information together with the detailed explanation of various benchmarks and disclosure principles in this PDS. ASIC requires all hedge funds to address disclosure benchmarks 1 and 2 below.

Description	Is the benchmark satisfied?	Summary	Further information
Benchmark 1: Valuation of assets			
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	Yes	<p>Perpetual has appointed an independent administrator, Apex Fund Services Pty Ltd, to provide administration services for the Fund, including valuation services.</p> <p>The Fund gains its exposure by investing in the Underlying Fund and cash.</p> <p>CITCO Fund Services (Australia) Pty Ltd is the independent administrator for the Underlying Fund and calculates the value of any non-exchange traded assets in the Underlying Fund in accordance with its pricing policy.</p>	Please refer to section 5.3 for further information on the valuation of assets.
Benchmark 2: Periodic reporting			
This benchmark addresses whether we provide periodic disclosure to our investors of certain key Fund information on an annual and monthly basis.	Yes	<p>The Responsible Entity or the Investment Manager will provide periodic disclosure of certain key information on an annual and monthly basis.</p> <p>These reports will be emailed to Unitholders and made available to investors on the Fund's website at www.totuscapital.com.au. Investors may also obtain a hard copy by contacting the Administrator or Investment Manager.</p>	Please refer to section 10 for further information on periodic reporting.

ASIC DISCLOSURE PRINCIPLES

Principle	The detail	Further information
Disclosure Principle 1 Investment Strategy	<p>The Fund gains its exposure by investing in the Underlying Fund and cash.</p> <p>The Underlying Fund is a long/short equity fund that utilises fundamental bottom-up company research to identify mispriced securities. It may hold long or short stock positions (or derivatives) to profit from this mispricing. Securities will generally be listed (or expected to list within 6 months of first acquiring the security) on a global stock exchange.</p>	The risks of investing in the Fund are described in section 7.
Disclosure Principle 2 Investment Manager	<p>The Responsible Entity of the Fund has appointed Totus Alpha Management Pty Limited as the Investment Manager of the Fund exclusively to invest, promote and manage the investments of the Fund.</p> <p>Totus is responsible for making investment and divestment decisions in relation to the Fund and implementing the Fund's investment strategy. Totus is an absolute return manager based in Sydney, Australia and founded in 2012.</p>	See section 4.3 for further details.
Disclosure Principle 3 Fund Structure	<p>The Fund is an Australian unlisted unit trust registered under the Corporations Act as a managed investment scheme and is denominated in Australian dollars.</p> <p>The Responsible Entity delegates certain aspects of its duties. As at the date of this PDS, the key service providers to the Fund are:</p> <ul style="list-style-type: none"> • Investment Manager: Totus Alpha Management Pty Limited; • Custodian and Administrator: Apex Fund Services Pty Limited; and • Scheme and Compliance Plan Auditors: Ernst & Young (EY) and Pricewaterhouse Coopers (PWC). <p>Key service providers to the Underlying Fund are:</p> <ul style="list-style-type: none"> • Trustee: Totus Capital Pty Ltd; • Investment Manager: Totus Alpha Management Pty Limited; • Administrator: CITCO Fund Services (Australia) Pty Limited; • Prime Broker: Morgan Stanley & Co. International Plc (MS) (referred to as the Prime Broker); and • Scheme Auditors: EY. 	See section 4 for further information on other key service providers, Perpetual's role in monitoring the performance of the service providers and a diagram of the flow of funds through the Fund.
Disclosure Principle 4 Valuation, location and custody of assets	<p>Apex Fund Services Pty Limited is the custodian and administrator of the Fund. The Administrator is responsible for calculating the Fund's net asset value.</p> <p>CITCO Fund Services (Australia) Pty Limited is the administrator of the Underlying Fund and is responsible for calculating the Underlying Fund's net asset value.</p> <p>The Prime Broker holds the assets of the Underlying Fund.</p> <p>See section 5.3 for further information on the custodial arrangements and the geographical location of the Fund's and Underlying Fund's assets.</p>	See section 4 and 5.3 for further details.
Disclosure Principle 5 Liquidity	<p>The Fund invests in the Underlying Fund and cash. The Underlying Fund invests predominantly in liquid assets.</p> <p>As at the date of this PDS, under normal market conditions, the Investment Manager reasonably expects that the Fund will be able to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's NAV, within 10 days.</p>	See section 5.4 for further details.

ASIC DISCLOSURE PRINCIPLES (CONT.)

Principle	The detail	Further information
Disclosure Principle 6 Leverage	<p>The Underlying Fund will utilise leverage as part of its long/short investment strategy. The Underlying Fund's maximum and minimum exposures are:</p> <ul style="list-style-type: none"> • Maximum net exposure: less than +/- 150% (average since inception for the Underlying Fund is 35%); and • Maximum gross exposure: less than 325% (average since inception for the Underlying Fund is 210%). <p>Totus, with the agreement of the Trustee for the Underlying Fund (being Totus Capital Pty Ltd), may change the limits above by providing investors in the Underlying Fund with 30 days' prior notice.</p>	See section 5.6 for further details.
Disclosure Principle 7 Derivatives	<p>Derivatives are financial instruments whose value is derived from other assets, such as shares, commodities, currencies, interest rates or indices, and may be used as part of the portfolio management process.</p> <p>The Underlying Fund typically uses derivatives to reduce risk by using them as a hedge against adverse movements in a particular market and/or in the underlying asset. The Underlying Fund may also use derivatives to gain exposure to assets and markets. While derivatives offer the opportunity for significantly higher gains from a smaller investment (because of the effective exposure obtained) they can also produce significantly higher losses, sometimes in excess of the amount invested.</p> <p>The Underlying Fund will invest in derivatives, such as options, futures and equivalent cash settled instruments, for hedging and non-hedging purposes.</p>	See section 5.5 for further details.
Disclosure Principle 8 Short selling	<p>The Underlying Fund may engage in short selling. Short selling is the practice of selling securities that have been borrowed in the expectation that they will be bought back from the market and returned to the lender at a price lower than the sale price. Short selling is used by the Investment Manager in the Underlying Fund when it expects that the price of the security will fall. Totus will borrow securities from a securities lender (the Prime Broker) with the intention of buying back the securities from the market and returning them to the lender (the Prime Broker). If the price of the security falls in value, the Underlying Fund will make a profit because it buys the security back from the market for less than it was sold. This can be contrasted with 'long positions' where the Underlying Fund makes a profit from any increase in the price of a security. Short selling involves a higher level of risk than buying a security.</p> <p>The Underlying Fund may short any assets or other securities referred to in its investment strategy.</p>	See section 5.7 for further details.
Disclosure Principle 9 Withdrawals	<p>The Fund processes withdrawals on a daily basis. If withdrawal requests are received and accepted by Apex before 3.00 pm Sydney time, then they are generally processed each business day using the unit price calculated for that business day. If withdrawal requests are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day.</p> <p>In some circumstances, such as if the Fund ever became illiquid, investors will not be able to withdraw from the Fund. If the withdrawal requirements are altered you will be notified in writing.</p>	See section 9.6 for further details.

FUND STRUCTURE AND SERVICE PROVIDERS

4.1 Introduction

The Fund is an Australian unlisted unit trust registered under the Corporations Act as a managed investment scheme. In general, each unit in the Fund represents an individual's interest in the assets as a whole subject to liabilities; however, it does not give the investor an interest in any particular asset of the Fund.

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited and is responsible for the operation of the Fund. The Responsible Entity may appoint service providers to assist in the ongoing operation, management and administration of the Fund. Key service providers to the Fund and Underlying Fund are described below. The service providers engaged by the Responsible Entity may change without notice to investors. Risks relating to the use of third-party service providers are outlined in section 7.4. The Responsible Entity has entered into service agreements with the service providers and will regularly monitor the performance of the service providers against service standards set out in the relevant agreements.

4.2 About the Responsible Entity

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

The Responsible Entity holds Australian Financial Services Licence number 235150 issued by the Australian Securities and Investments Commission (ASIC), which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution of the Fund (**Fund Constitution**) and the *Corporations Act 2001* (Cth) (**Corporations Act**). The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Fund Constitution and the Corporations Act.

The Responsible Entity has the power to delegate certain aspects of its duties. The Responsible Entity has appointed Totus Alpha Management Pty Limited as the investment manager of the Fund (**Investment Manager**). There are no unusual or materially onerous terms in the agreement under which the Investment Manager has been appointed.

The Responsible Entity is able to terminate the Investment Manager's appointment under the Investment Management Agreement at any time in circumstances, including but not limited to:

- Fraud, misconduct, dishonesty or gross negligence on the part of the Investment Manager;
- Where the Investment Manager enters into receivership, liquidation, ceases to conduct business, sells the business or is legally unable to operate as an Investment Manager; or
- Where the Investment Manager is in breach of any representations or warranties to the Responsible Entity.

Termination in these circumstances is without payment of any penalty.

The Responsible Entity has appointed Apex Fund Services Pty Limited as custodian and administrator of the Fund.

The Responsible Entity has conducted due diligence on the Underlying Fund and the Investment Manager as well as all key service providers to the Fund and the Underlying Fund. As the investment manager of the Underlying Fund, Totus conducts due diligence on the operations and key service providers of the Underlying Fund. As described, the Fund intends to invest a substantial portion of its assets in the Underlying Fund. The Underlying Fund has been selected as it enables the Fund to pursue the Fund's investment strategy.

4.3 About the Investment Manager

The Responsible Entity has appointed Totus Alpha Management Pty Limited as the Investment Manager of the Fund to invest, promote and manage the investments of the Fund. Totus is also the investment manager of the Underlying Fund.

Totus is responsible for making investment and divestment decisions in relation to the Fund and implementing the Fund's investment strategy. Totus is an absolute return manager based in Sydney, Australia and founded in 2012 by Ben McGarry.

Ben McGarry, Portfolio Manager, has over 22 years of financial markets experience on both the buy and sell side of the industry. As an analyst at UBS Australia and Morgan Stanley in London, Ben covered a broad range of companies and sectors. He holds a Bachelor of Commerce and Bachelor of Economics from the University of Queensland. He also qualified as a Chartered Accountant whilst working at PricewaterhouseCoopers in Sydney, Australia.

FUND STRUCTURE AND SERVICE PROVIDERS (CONT.)

Tim Warner, Portfolio Manager, joined Totus in June 2019, having previously worked at Centennial Asset Management Pty Ltd as an analyst for 2 years, focusing on ASX small and micro-cap companies. Tim holds a Bachelor of Chemical Engineering (Honours Class I and the University Medal) degree from the University of Sydney.

The key investment personnel who have day-to-day responsibility for the implementation of the Fund's investment strategy are Ben McGarry and Tim Warner. These individuals devote all of their time to Totus' business, which includes managing and executing the investment strategy of the Fund.

There have been no adverse regulatory findings against Totus or its personnel.

4.4 About the Fund's Custodian and Administrator

Apex Fund Services Pty Limited (formerly known as Mainstream Fund Services Pty Limited) is the custodian and administrator of the Fund. Apex is responsible for calculating the Fund's net asset value which is generally determined on a daily basis. Apex does not participate in the investment decision-making process for the Fund. Although Apex will provide reporting and information to the Unitholders about the assets held by them, Apex is not responsible for monitoring the Fund's positions for the purpose of determining their composition or performance.

4.5 About the Fund's Auditors

EY has been appointed as the independent auditor of the Fund's financial statements. PWC has been appointed as the auditor of the Fund's Compliance Plan. EY are also the tax advisers of the Fund.

4.6 Service providers to the Underlying Fund

The key service providers to the Underlying Fund are:

- **Totus Capital Pty Ltd, the trustee of the Underlying Fund**
The trustee is responsible for operating the Underlying Fund;
- **Totus Alpha Management Pty Ltd, the investment manager of the Underlying Fund**
The Investment Manager is responsible for making investment decisions for the Fund and the Underlying Fund;

- **CITCO Fund Services (Australia) Pty Limited, the administrator of the assets of the Underlying Fund**

CITCO is responsible for accounting for the Underlying Fund's financial assets, and among other things, recording the settlement of sales and purchases of financial assets. In addition, CITCO provides administration services such as registry, calculation of net asset value, and fund accounting for the Underlying Fund;

- **Morgan Stanley & Co. International Plc, the custodian of the assets and Prime Broker of the Underlying Fund**

Prime broking is the term given to bundled service packages offered by brokerage firms to funds which require cash or securities lending facilities. These services include the provision to the Underlying Fund of margin financing, clearing, settlement and stock borrowing facilities and may also involve their broker and dealer networks for the purposes of executing transactions. Fees for these services are payable by the Underlying Fund, and therefore included in any returns you receive. To enter into margin financing and stock borrowing arrangements, assets of the Underlying Fund are generally placed with the prime brokers (or their custodians) to form collateral under a custodial arrangement. The prime brokers are entitled to sell, lend, or otherwise use this collateral for their own purposes, subject to an obligation to return equivalent securities or cash value. Prime brokers appointed by the Underlying Fund have no decision-making discretion relating to the Underlying Fund's assets and make no representation in respect of the Fund, Underlying Fund, or the investment of the assets. They are not responsible for, and are not liable for, any loss on settlement of a transaction;

- **Ernst & Young - Underlying Fund Auditor**

EY has been appointed as the independent auditor of the Underlying Fund's financial statements. EY are also the tax advisers of the Underlying Fund.

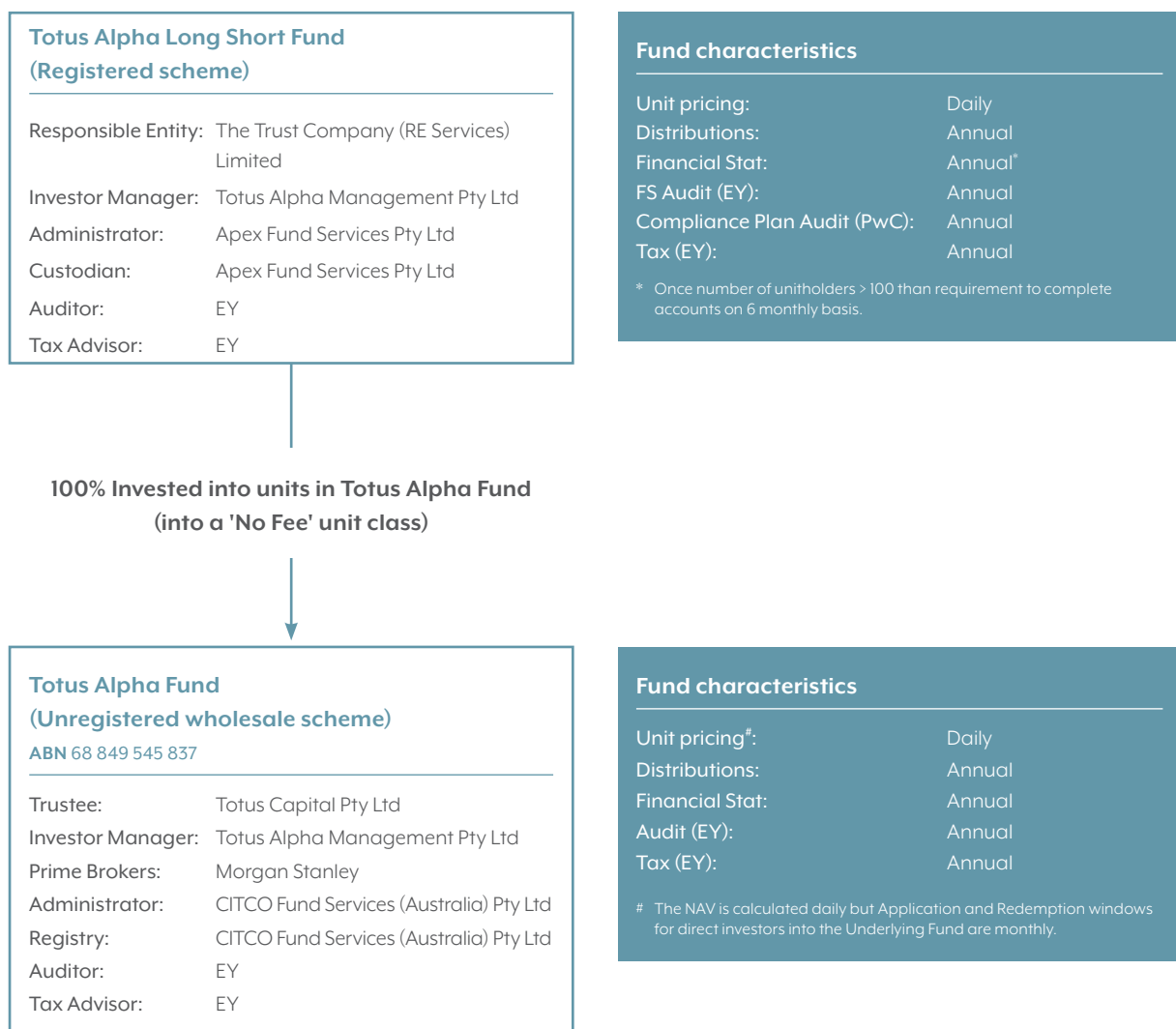
The service providers engaged by Totus Capital Pty Limited may change without notice to investors. Risks relating to the use of third-party service providers are outlined in section 7.4.

FUND STRUCTURE AND SERVICE PROVIDERS (CONT.)

4.7 Fund structure

The diagram set out below shows the Fund's structure and the entities involved in the Fund's structure, all located in Australia (except Morgan Stanley which is located in the United Kingdom).

TOTUS ALPHA LONG SHORT FUND STRUCTURE



Fund characteristics

Unit pricing:	Daily
Distributions:	Annual
Financial Stat:	Annual*
FS Audit (EY):	Annual
Compliance Plan Audit (PwC):	Annual
Tax (EY):	Annual

* Once number of unitholders > 100 than requirement to complete accounts on 6 monthly basis.

Fund characteristics

Unit pricing [#] :	Daily
Distributions:	Annual
Financial Stat:	Annual
Audit (EY):	Annual
Tax (EY):	Annual

The NAV is calculated daily but Application and Redemption windows for direct investors into the Underlying Fund are monthly.

Notes:

The Totus Alpha Fund (unregistered wholesale scheme) was established on 12th March 2012.

Totus Capital Pty Ltd and Totus Alpha Management Pty Ltd are related bodies corporate, with Ben McGarry and his family interests owning 100% of both entities.

There are no material arrangements in connection with the Fund or Underlying Fund that are not at arm's length.

INVESTMENT STRATEGY

5.1 Investment philosophy

Totus operates with the belief that markets are inefficient allowing opportunity for active stock pickers to add value. Totus believes, in the long term, stock prices should gravitate towards a fair value based on the business' ability to generate free cashflow for shareholders. Identifying stocks whose market capitalisation does not match a reasonable assessment of its economic fundamentals can be a source of added value for both long and short candidates. Owning a group of growing cash generative businesses across a range of industries, geographies and market capitalisation with proven management, high returns and clean accounting has the potential to generate attractive returns over the long term.

Pairing these long positions with a diverse short book of lower quality businesses facing headwinds and exhibiting red flags (such as cash burn, aggressive accounting, problematic or unsustainable business models) reduces portfolio market risk (beta) and has been a consistent source of alpha (i.e., excess return) generation for the investment strategy of the Underlying Fund.

5.2 Investment strategy and its implementation

The Fund gains its exposure by investing in the unregistered Totus Alpha Fund (**Underlying Fund**) and cash.

The Underlying Fund is a long/short equity fund that utilises fundamental bottom-up company research to identify mispriced securities. The Underlying Fund may hold long or short stock positions (or derivatives) to profit from this mispricing. Securities held in the Underlying Fund will be listed (or will be expected to list within 6 months of first acquiring the security) on a global recognised stock exchange.

The Investment Manager identifies medium to long term structural investment themes that might provide headwinds or tailwinds for companies (for example, which companies or industries are the likely winners and losers from high inflation, covid pandemic, supply chain disruption etc.). The Investment Manager then uses detailed bottom-up analysis to select individual investments that are positioned to benefit from those trends in order to build a diversified portfolio.

The Investment Manager identifies typically 5-10 themes on the long side and typically 5-10 themes on the short side. The Investment Manager then populates the portfolio based on fundamental, bottom-up research. The size of any individual position will depend on the strength of the investment thesis and reflects how well that position fits within Totus' investment framework. The size and liquidity of a stock also plays a part in position sizing.

The bulk of hedging activity is done via single stock and index shorts. The level of hedging depends on the investment opportunities at the time and the Investment Manager's view of the macro outlook derived from a top-down analysis.

Over the long term (10+ years) the Investment Manager expects the Underlying Fund to run a long bias. However, the Underlying Fund may be, on occasion, net short. The maximum net exposure of the Underlying Fund is +/- 150% and maximum gross exposure is 325%.

The Underlying Fund primarily invests in equities; however, it has the ability to invest in exchange traded funds, commodities, options, futures, bonds and various debt instruments via exchange traded instruments. The Underlying Fund is not a market neutral fund and, accordingly, may switch between net long positions and net short positions.

If a security (with the exception of index futures) on the long side becomes greater than 15% of the Underlying Fund's net assets, the Investment Manager is no longer permitted to actively add to that position. Similarly, if a security (with the exception of index futures) on the short side become greater than 5% of the Underlying Fund's net asset value, the Investment Manager is no longer permitted to actively add to that position. No more than 5% of net assets in the Underlying Fund are held in stocks with a market capitalisation under A\$100m. These limits are monitored on an ongoing basis.

The risks of investing in the Fund are described in Section 7.4.

INVESTMENT STRATEGY (CONT.)

5.3 Valuation, location and custody of assets

Below is a table summarising the Fund's and Underlying Fund's assets, location of assets and custody arrangements:

Entity	Assets	Location of assets	Custody	Administration Services
Fund	Units in the Underlying Fund	Australia	Apex	Apex
Underlying Fund	Global listed equities, derivatives and cash	Generally Australia and developed markets (in particular the United States of America)	Morgan Stanley & Co. International plc	CITCO Australia

The Underlying Fund's assets are denominated in Australian dollars, except for international securities which are denominated in the local currency of the country where the market on which the securities are listed, is located. The administrator for the Fund and Underlying Fund is responsible for valuing the assets according to their valuation policy. Different types of assets will be valued differently, for example:

- The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value;
- Securities listed on a recognised stock exchange or dealt on any other regulated market will be valued at their closing market price.

5.4 Liquidity

The Fund invests in the Underlying Fund and cash with the allocation to the Underlying Fund typically being 80-100% and the remainder in cash. The Underlying Fund invests predominantly in liquid assets. As at the date of this PDS, under normal market conditions, the Responsible Entity and Investment Manager reasonably expect that, should the need arise, the Fund will be able to realise at least 80% of the Fund's assets, at the value ascribed to those assets in the most recent calculation of the Fund's NAV, within 10 days.

The Investment Manager regularly monitors the liquidity characteristics of the Fund and the Underlying Fund and the assets in which they invest, to seek to ensure the Fund and the Underlying Fund remains within permitted investment parameters.

5.5 Derivatives

Derivatives are financial instruments whose value is derived from other assets, such as shares, commodities, currencies, interest rates or indices and may be used as part of the portfolio management process. Futures contracts and options are examples of derivatives.

The Underlying Fund may use derivatives broadly for the following purposes:

- To reduce risk by using it as a hedge against adverse movements in a particular market and/or in the underlying asset;
- To gain exposure to assets and markets;
- To hedge physical positions;
- To reduce volatility;
- To reduce transaction costs and achieve transaction efficiency (e.g. to obtain better execution);
- To leverage; or
- To manage significant transactions.

INVESTMENT STRATEGY (CONT.)

While derivatives offer the opportunity for significantly higher gains from a smaller investment (because of the effective exposure obtained) they can also produce significantly higher losses, sometimes in excess of the amount invested.

The Underlying Fund may use derivatives which may be volatile and speculative.

The Investment Manager chooses counterparties that are institutions subject to prudential supervision. All of the Underlying Fund's derivatives counterparties must have, in Totus' reasonable opinion, sufficient expertise and experience in trading such financial instruments.

5.6 Leverage

Totus is permitted to borrow on behalf of the Underlying Fund. Loan facilities are provided by the Prime Broker of the Underlying Fund. Leverage may be used to enhance returns and the Underlying Fund may be geared in excess of 100% of the net asset value of the Underlying Fund. There is currently no maximum limit on how much the Underlying Fund may borrow but it is envisaged that there will generally be a maximum net exposure of +/- 150% and a gross exposure of 325% of the Underlying Fund's net asset value. Leverage is also created as the proceeds from short-selling borrowed securities are reinvested in the long portfolio. In simple terms, because the Underlying Fund's gross exposure (equalling the sum of long and short positions) is greater than the amount of investors' capital, leverage is created. Unlike financial leverage however, the leverage is to the security selection success of the Investment Manager only. The Investment Manager will closely monitor the Underlying Fund's gearing levels.

As a consequence of gearing, significant volatility in the unit price of the Underlying Fund (and in turn the Fund) is to be expected. In addition, the use of derivatives and short selling may have an effect similar to leverage in that it can magnify the gains and losses achieved in the Underlying Fund in a manner similar to a debt leverage fund. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

The maximum gross exposure (with the greatest possible impact on the Underlying Fund's returns) would be where the Underlying Fund had a gross exposure of 325% of the portfolio's net asset value. In such a case, if the value of the securities within the Underlying Fund (or the value of the assets underlying derivatives within the Underlying Fund) increased by 10% (or in the case of a short position, decreased

in value by 10%), the Underlying Fund's net asset value would rise by 32.5%. Conversely, if the value of the securities within the Underlying Fund (or the value of the assets underlying derivatives within the Underlying Fund) decreased by 10% (or in the case of short position, increased in value by 10%), the Underlying Fund's net asset value would fall by 32.5%. It should be noted that while the Underlying Fund may have gross exposure of up to 325% of its net asset value, investors in the Underlying Fund would not have an exposure in excess of 100% of their investment in the Underlying Fund. Please note that the above example has been provided for reference purposes only. Any assumptions underlying these examples are for illustrative purposes only and are not a promise that the Underlying Fund will achieve the same results.

5.7 Short selling

The Underlying Fund may engage in short selling. A short sale occurs when the Investment Manager borrows a security via the Prime Broker and sells the security to a third party, generating cash proceeds. The Investment Manager will reacquire the same security on-market and return it to the lender to close the transaction.

Short selling is used by the Investment Manager when it expects that the price of the security will fall. The Underlying Fund makes a profit if the price of the borrowed security declines in value in the period between when the Investment Manager short sells the security and when the borrowed security is reacquired. Conversely, the Underlying Fund will suffer a loss if the borrowed security increases in value during this period. While the time period for borrowing securities to short sell may not be fixed, the Prime Broker may on rare occasions recall the securities and the Investment Manager must acquire them on-market to close the transaction.

An amount of Underlying Fund's capital is retained as collateral with regards to the borrowed security. Investors benefit to the extent the long portfolio of shares outperforms the shares that have been short sold.

Short selling can involve greater risk than buying a security, as losses can continue to grow to the extent that the price of a security rises. The risk of losses associated with the purchase of a security is generally restricted at most to the amount invested, whereas losses on a short position can be greater than the purchased value of the security. Whilst short selling can often reduce risk since it may offset losses on long positions, it is also possible for long positions and short positions to both lose money at the same time.

INVESTMENT STRATEGY (CONT.)

The Underlying Fund may short any assets or other securities referred to in its investment strategy.

The Investment Manager seeks to manage the risks associated with short selling in a number of ways:

- By using its fundamental research process to identify stocks to sell short, which are, in the Investment Manager's view, weaker businesses, with poor management and which are over-priced relative to the Investment Manager's assessment of their intrinsic value;
- By constructing a diversified portfolio of short positions across a broad range of sectors and industries, thereby reducing the risk that portfolio returns will be dependent on the performance of an individual stock, sector or industry; and
- By managing the size of the Underlying Fund's short positions, also ensuring that individual positions do not account for an unacceptable amount of risk in the short portfolio.

5.8 Labour standards and environmental, social and ethical considerations

Perpetual and Totus do not take into account environmental, labour standards or ethical considerations when selecting, retaining or realising the investments of the Fund. However, Perpetual and Totus recognise that environmental, social and governance (ESG) issues may affect the value of investments managed on behalf of investors.

Totus assesses and manages all foreseeable and potentially material risk factors and in this context, Totus considers ESG as a risk factor in the overall risk/reward assessment of an investment. However, Totus has no predetermined view as to what constitutes ESG standards, which ESG considerations will be taken into account and the extent to which they will be taken into account when making decisions to acquire, hold and dispose of investments.

FEATURES AND BENEFITS OF THE FUND

Investing in the Fund gives investors access to:

- A wholesale investment strategy that is not normally available to retail clients;
- An opportunity to partake in an investment that would ordinarily be difficult for individual investors to employ;
- Enhanced potential for excess returns through the use of short-selling technique in the Underlying Fund; and
- A strategy with an investment team with a proven track record and with a low correlation to Australian and international equity indices.

Totus are experienced investment management professionals:

- With extensive experience in managing equities for investors since 2012;
- Are specialists in using alternative techniques such as short-selling;
- Have a strong team of investment analysts with diverse capital markets backgrounds; and
- Possess a robust risk management framework.

Totus are complemented by well-resourced service providers, including:

- Perpetual (as Responsible Entity of the Fund);
- Apex Fund Services Pty Ltd (as Administrator and Custodian of the Fund) and CITCO Fund Services (Australia) Pty Ltd (as administrator for the Underlying Fund);
- Morgan Stanley (as Prime Broker of the Underlying Fund); and
- EY (as Auditors of the Fund and Underlying Fund and Tax Advisers of the Fund and Underlying Fund).

KEY RISKS

7.1 Risks in general

Investment in the Fund is subject to certain risks. The significant risks associated with investing in the Fund and the Underlying Fund are explained below. Any of these risks could cause the Fund or the Underlying Fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in net asset value), or to fail to meet their objectives over any given period of time. You should carefully consider each of the risks set out in this section, as well as the other information in this PDS, in assessing the suitability of including the Fund as part of your investment portfolio as well as the appropriate size of your investment in the Fund and seek advice from a licensed or authorised financial advisor. The value of the Fund's investments will vary. The level of returns will vary and future returns may differ from past returns. No guarantee is provided on the performance of the Fund or the Underlying Fund, that distributions will be made or that the capital value of an investment in the Fund will increase or even be maintained. You could lose money.

7.2 Ways to manage or reduce investment risk

You can help manage your own risks too. You can:

- Know your investment goals and risk tolerance;
- Understand risk and return and be comfortable that an investment may not give the outcomes you hope for;
- Diversify your investments (that is, don't invest all your monies in the Fund or in similar funds);
- Invest for at least the recommended timeframe (at least 5 years);
- Keep track of your investment; and
- Speak with a financial advisor and make sure the Fund is the right investment for you at the particular time.

Remember, each investor's risk tolerance is different. Before investing in the Fund, you should consider:

- Your investment goals;
- Your expectations for returns; and
- The length of time you can hold your investment.

7.3 How Totus seeks to reduce risk

The Underlying Fund runs a number of short positions, each of which by definition has the potential to cost the Underlying Fund (and in turn the Fund) greater than 100% of its exposure to those positions. Active monitoring and management of short positions is critical to the Fund's risk management framework.

Totus manages the risk within the Fund by:

- Investing the Underlying Fund in predominantly liquid exchange traded securities with a high proportion in large-cap stocks both in Australia and developed markets (with high daily average trading liquidity);
- Hedging the Underlying Fund using a range of index and single stock short positions. Positions are monitored on a regular basis and hedging is conducted daily when appropriate;
- Diversification through having up to 175 securities in the Underlying Fund. If a single stock or security (with the exception of index futures) becomes greater than 15% of the Underlying Fund's net assets, Totus is no longer permitted to actively add to that position. Where necessary Totus manages these risks by reviewing its stock and sector exposures in real time and actively seeking hedging strategies that reduce its exposure to market risk;
- Managing leverage by applying limits on net exposure (less than +/-150%) and gross exposure (less than 325%). The portfolio financing limits are determined by the Prime Broker and may vary over time. The financing limits are typically determined by the composition of stocks and the concentration of stocks and the resulting margin offered by the Prime Broker.

The limits set out in this PDS should be viewed as objectives only and not absolute limits. Should they be exceeded for any reason, for example due to market movements or cash flows, the Investment Manager will endeavour to effect such adjustments as is necessary to meet the limits set out in this PDS.

7.4 Significant risks

Prospective investors should be aware of the following risk factors when deciding whether to invest in the Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund. Potential investors should read the entire PDS and should consult their own professional advisors before deciding to invest in the Fund.

Market risk

Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or

KEY RISKS (CONT.)

prolonged market volatility. In times of market volatility, there is a risk that the value of the securities held by the Underlying Fund will fall in value, resulting in a reduced net asset value per unit and reduced returns on investment for the Underlying Fund (and in turn, the Fund).

Concentration risk

The Fund gains its investment exposure through investment in the Underlying Fund and cash only. This means the Underlying Fund represents a very high investment concentration. In addition, the Underlying Fund's typical portfolio holdings of 70-140 investments represents a relatively high investment concentration. The lower the number of investments, the higher the concentration and, in turn, the higher the potential volatility. The value of investments is more likely to be affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

Key person risk

A small number of investment professionals are responsible for managing the Fund and the investment performance of the Fund will depend in large part on the skills and expertise of Totus' portfolio managers, Ben McGarry and Tim Warner. As such, investors in the Fund are exposed to risk that their personal circumstances can change or they may cease to be associated with the Fund.

Liquidity risk

The Fund gains its investment exposure through investment in the Underlying Fund and cash. This means the Fund will be directly impacted by any events of illiquidity that impact the Underlying Fund. In other words, the payment from redemptions of units in the Fund will not be made until the Fund receives payment from redemptions in the Underlying Fund. There may be delays if the Underlying Fund defers or reduces, or even suspends, the Fund's redemption.

The Underlying Fund will primarily invest in listed securities. If there is an interruption of regular trading of the market or for a particular asset of the Underlying Fund (or if official quotation of securities is denied), there may be delays in processing withdrawal requests. Similarly, for some securities in the Underlying Fund where the volume of trading is low, the ability to liquidate those securities in a timely manner may be affected. The risk of illiquidity also arises in the case of pre-IPO securities. The Responsible Entity may suspend redemptions and the payment of withdrawal proceeds during periods where the Fund's investments cannot be realised at an appropriate price or on adequate terms. There are also circumstances under which access to your money may be delayed – see section 9.7 for more information.

Also note that units in the Fund are not quoted on any stock exchange so you cannot sell them through a stockbroker.

Counterparty risk

Counterparty risk is the risk that a counterparty to a contract will fail to perform contractual obligations (for example default in either whole or part) under the contract, which may result in the investment activities of the Fund being adversely affected. This is also sometimes referred to as 'credit risk'. The Underlying Fund may be subject to the default of a counterparty including the Prime Broker. The institutions (such as brokerage and trading firms and banks) with which the Underlying Fund does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of the Underlying Fund or create unanticipated trading risks for the Underlying Fund (and in turn, the Fund).

Risk from the Prime Broker(s)/Custodian(s), or derivative counterparties may arise because they do not guarantee the return of collateral and/or they can rehypothecate (i.e. use any assets provided as collateral) the assets of the Underlying Fund. The Underlying Fund will rank as an unsecured creditor in relation to the assets of the Underlying Fund used by the counterparties and may not be able to recover such assets in full. The ability of the Underlying Fund to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses incurred by the Underlying Fund and in turn, the Fund.

Investment objective risk

There is no guarantee that in any time period, particularly in the short term, the Fund will achieve any particular level of return and investors should be aware that the value of units may fall as well as rise. Investment in the Fund involves significant risks. Whilst it is the intention of Totus to implement strategies that are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of their investment in the Fund.

As a result, each investor should carefully consider whether they can afford to bear the risks of investing in the Fund.

Equity risk

Individual investments made by the Underlying Fund will fluctuate in value (and in turn, impact the Fund), meaning that the price may go up or down. A company's share price may fluctuate for a number of reasons. A company may be affected by changes in factors such as the competitive

KEY RISKS (CONT.)

environment in which the company operates, regulations, technology, changes in management and personnel and consumer preferences. A company may also face broader influences such as political and industry changes. The Investment Manager aims to reduce these risks with thorough analysis and research of securities held by the Underlying Fund.

Leverage risk

The Underlying Fund may be leveraged by borrowing and, as outlined earlier, Totus may also engage in investment strategies that constitute leverage if Totus considers this necessary or desirable. Such strategies may include the borrowing and short selling of securities and the acquisition and disposal of certain types of derivatives and instruments, such as warrants, futures and options.

Whilst leveraging creates an opportunity for greater total returns it also exposes the Underlying Fund (and in turn, the Fund) to a greater risk of loss arising from adverse price changes. For example, as a result of using leverage, the net asset value of the Underlying Fund will increase more when the Underlying Fund's assets increase in value, and decrease more when the Underlying Fund's assets decrease in value, than would otherwise be the case if leverage was not used. The use of leverage levels is strictly controlled by the financial institution providing the leverage on investments (such as the Prime Broker), which is segregated by asset class, and rating and differs from institution to institution. The financial institution who is providing the leverage (the Prime Broker) also performs daily and sometimes intraday analysis of the Underlying Fund's positions to ensure it is operating within prescribed limits at all times.

Volatility risk

Generally, the higher the potential return for a fund means there is a higher risk and a greater chance of substantial return fluctuations (including the possibility of losses) that may occur. In addition to the loss of returns, there is a risk that the value of a unit may decline considerably. As the Underlying Fund has the ability to achieve high levels of gearing, the Underlying Fund (and in turn, the Fund) will be subject to increased volatility. Returns from a leveraged investment will generally be more volatile than returns from an unleveraged investment.

Derivative risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. While the use of derivatives offers the opportunity for higher gains, it can also magnify losses to the Underlying Fund (which may in turn, impact the Fund). Risks associated

with the use of derivatives include that the value of a derivative may fall as a result of an adverse movement in the underlying asset or index, the Underlying Fund not being able to meet payment obligations as they arise and the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations. This may have an adverse effect on the value of the Underlying Fund's investments (which may in turn, impact the Fund). While using derivatives for hedging can reduce the risk associated with an investment, it cannot be guaranteed that hedging will always be successful. The Underlying Fund may use derivatives for both hedging and speculative purposes.

Regulatory, taxation and government policy change risk

Legal, tax, regulatory and government policy changes, as well as changes in generally accepted accounting policies or valuation methods, in the Australian and international investment environment may occur during the term of investment in the Fund. These changes may have negative impacts on the way in which the Fund is regulated and/or impacting income and capital returns from an investment. Changes in political situations and changes to foreign and domestic tax positions can also impact on the Underlying Fund (which in turn, impact the Fund). The Australian taxation consequences of an investment in the Fund, detailed in section 12, have been based on taxation legislation as at the date of this PDS. Future changes in Australian tax legislation or in the interpretation of that legislation may adversely affect the tax treatment of the Fund, or of the investors or the tax treatment of a specific investment of the Fund. To the extent the Underlying Fund invests in international equities, then future changes in non-Australian tax legislation may affect the tax treatment of the Underlying Fund, its investments and the distributions of profits. Such changes may have an impact on the value of your investment in the Fund.

Country and political risk

The Underlying Fund may hold shares in companies and other investments that are domiciled in a country other than Australia. The economic, technological, political, legal and market conditions in these other countries may affect the operations of these companies which may, in turn, have an indirect impact upon the value of the Underlying Fund's assets (which in turn, may impact the Fund).

Economic risk

Investment returns are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general share market conditions, government policies and the general state of the domestic and world economies.

KEY RISKS (CONT.)

Foreign exchange risk

The Underlying Fund will invest in companies listed on global stock exchanges which will therefore give rise to foreign currency exposure. This means the value of foreign investments will vary as exchange rates change. Fluctuations in foreign currency can have both a positive and negative impact on the investments of the Underlying Fund (and in turn, the Fund). Investors should understand that the Underlying Fund and the Fund are denominated in Australian dollars and so the value of your investment may go up and down according to changes in the exchange rate between Australian dollars and other currencies. These changes may be significant. Generally, neither the Fund nor the Underlying Fund seeks to actively hedge its foreign exchange exposures. New Zealand investors should also consider the currency risks as detailed in Section 14 of this PDS.

Interest rate risk

Changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns. Changes in the general level of interest rates may impact the Fund's profitability.

Interest rates are highly sensitive to many factors beyond the control of the Fund, including, but not limited to, governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits and regulatory requirements.

Fund risk

Risks particular to the Fund include that it could terminate (for example, at a date Perpetual decides), the fees and expenses could change (although Perpetual would give you at least 30 days' notice where practicable if fees were to increase). Perpetual could be replaced as Responsible Entity of the Fund and its management and staff could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

Short selling risk

Totus may sell securities short in the Underlying Fund. If the price of the securities sold short declines, Totus may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible loss from selling short a security differs from the loss that could be incurred from a cash investment in the security. The former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are

also subject to restrictions imposed by market operators such as the ASX, which could limit the investment activities of the Underlying Fund (and in turn, the Fund).

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, Totus or other service providers.

FATCA risk

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

Operational risk

Perpetual has appointed the Investment Manager, Custodian and Administrator of the Fund. The Responsible Entity is satisfied that these providers have in place adequate internal controls. However, there still may be breakdowns in operations and procedures 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 and Administrator of the Fund may change.

Potential conflicts of interest risk

The Investment Manager may be the investment manager of other funds not described in this PDS and entities within the Perpetual Group (comprising Perpetual Limited and its subsidiaries, including the Responsible Entity) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid potential conflicts of interest.

All agreements with related party service providers have been entered into on terms that are similar to those the Responsible Entity would have negotiated with an unrelated party and the Responsible Entity must still ensure that the appointment of the related party is in the best interests of the members of the Fund.

As part of the Fund's investment strategy, the Fund invests into the Underlying Fund which is managed by the Investment Manager. The Responsible Entity will manage any conflicts in accordance with the Fund Constitution and the law.

FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).

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

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

TO FIND OUT MORE

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

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

Taxes are set out in another part of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

For Indirect Investors, the fees listed in the 'Fees and other costs' section of this PDS are in addition to any other fees and charges charged by your IDPS Operator.

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs^{1 and 3}		
Management fee and costs* The fees and costs for managing your investment	2.08% p.a. of the NAV of the Fund, comprised of: 1. A management fee of 1.62% p.a. of the NAV of the Fund 2. Estimated expense recoveries of 0.18% p.a. of the NAV of the Fund 3. Estimated indirect costs of 0.28% p.a. of the NAV of the Fund	The management fee is calculated and accrued daily and is payable monthly in arrears. The fee is deducted from the assets of the Fund and is reflected in the unit price. Expense recoveries are paid out of Fund assets as and when incurred ^{4 and 5} . Indirect costs are paid out of the Fund's assets or interposed vehicle's assets as and when incurred. Lower management fees and/or different payment terms may be negotiated with certain Wholesale Clients. See 'Differential fees' under the heading 'Additional explanation of fees and costs'..
Performance fee Amounts deducted from your investment in relation to the performance of the product	Estimated to be 1.77% of the NAV of the Fund ^{4 and 6}	The performance fee is calculated as 20.5% of the return of the Fund that is in excess of the Benchmark return (being the Reserve Bank of Australia's cash rate), subject to the high-water mark. The high-water mark is the highest unit price for the Fund at the end of a prior Performance Period in which a performance fee has been paid, adjusted for any income or capital distributions. It is accrued daily and payable monthly. If accrued, the performance fee will generally be paid from the assets of the Fund within 30 days of the end of each Performance Period (being each monthly period or part period where relevant) in arrears. Lower performance fees and/or different payment terms may be negotiated with certain Wholesale Clients. See 'Differential fees' under the heading 'Additional explanation of fees and costs'.

FEES AND OTHER COSTS (CONT.)

Type of fee or cost	Amount	How and when paid
Transaction costs* The costs incurred by the scheme when buying or selling assets	Estimated to be 0.52% p.a. of the NAV of the Fund	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred. These costs are expressed net of any amount recovered by the buy-sell spread.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)²		
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
Buy-sell spread An amount deducted from your investment representing the costs incurred in transactions by the scheme	Estimated to be 0.25% of the application amount and 0.25% of the withdrawal amount	A buy spread is charged on each application and a sell spread is charged on each withdrawal. The buy/sell spread is reflected in the application price and withdrawal price.
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
Switching fee The fee for changing investment options	Nil	Not applicable

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

² See "Additional explanation of fees and costs" for more detail. Perpetual and Totus may negotiate fees with wholesale investors.

³ All fees and costs are quoted inclusive of GST and net of any applicable RITCs.

⁴ All fees and costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was unavailable as at the date of this PDS, or where we were unable to determine the exact amount.

⁵ Investment Manager will bear ordinary expenses of the Fund that exceed the cap of 0.20% p.a. of the NAV of the Fund. If the Investment Manager does not pay the ordinary expenses of the Fund that exceed the cap of 0.20% p.a. of the NAV of the Fund then the Responsible Entity will have the right to pay those expenses from the assets of the Fund and the ordinary expenses of the Fund may exceed 0.20% p.a. of the NAV of the Fund.

⁶ The performance fee calculation is based on the average performance fee estimated to be paid in connection with the Fund from 1 July 2020 to 30 June 2023 (i.e. the average performance fee paid over the last three financial years since the Fund's inception) and the performance fee actually paid in connection with the Underlying Fund from 1 July 2018 to 30 June 2020. The fact that a performance fee was paid however is not a representation of likely future performance. Please note the Underlying Fund does not charge performance fee to the Fund as the Fund invests into a "No Fee" unit class in the Underlying Fund.

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

FEES AND OTHER COSTS (CONT.)

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a 1-year period. You should use this table to compare the Fund against other products offered by managed investment schemes.

Totus Alpha Long Short Fund

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs*	2.08% p.a.	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$1,040 each year
PLUS Performance fees*	1.77%	And , you will be charged or have deducted from your investment \$885 in performance fees each year
PLUS Transaction costs*	0.52% p.a.	And , you will be charged or have deducted from your investment \$260 in transaction costs
EQUALS Cost of Totus Alpha Long Short Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs: \$2,185 What it costs you will depend on the fees you negotiate.

When calculating ongoing annual fees and costs in this table, the law says we must assume that the value of your investment remains at \$50,000 and the Fund's unit price does not fluctuate during the 12 month period. Please be aware that ongoing annual fees and costs actually incurred will depend on the market value of your investment and the timing of your contributions (including any reinvestment of distributions) during any 12 month period. The example assumes no abnormal expenses are incurred, fees are not individually negotiated and no service fees are incurred by you. The performance fee calculation is based on the average performance fee estimated to be paid in connection with the Fund from 1 July 2020 to 30 June 2023 (i.e. the average performance fee paid over the last three financial years since the Fund's inception) and the performance fee actually paid in connection with the Underlying Fund from 1 July 2018 to 30 June 2020. Please note the Underlying Fund does not charge performance fee to the Fund as the Fund invests into a "No Fee" unit class in the Underlying Fund. The fact that a performance fee was paid in the example however is not a representation of likely future performance. It is not a forecast of the performance of the Fund or Benchmark or of the amount of the performance fees in the future. The actual performance fee and therefore the total costs in the future will depend on the performance of Totus. All fees are expressed as a per annum percentage of NAV of the Fund excluding accrued fees. Totals may appear incorrect due to rounding. Returns are not guaranteed. Please refer to "Additional explanation of fees and costs" for more information.

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

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

FEES AND OTHER COSTS (CONT.)

8.1 Additional explanation of fees and costs

About management fees and costs

The management fees and costs include Responsible Entity fees and the Investment Manager's management fees, the Fund's ordinary and abnormal expenses and any indirect costs. The management fees are based in part upon unrealised gains (as well as unrealised losses) and such unrealised gains and/or losses may never be realised.

Management fees and costs paid out of the Fund's assets reduce the NAV of the Fund and are reflected in the unit price. Management fees and costs do not include transaction costs (i.e. the costs associated with investing in the underlying assets, some of which may be recovered through buy/sell spreads).

An investment management fee of 1.62% p.a. is paid from the Fund's assets to the Investment Manager. The investment management fee is calculated and accrued daily and paid monthly in arrears.

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle (e.g. the Underlying Fund and any fund that the Underlying Fund may in turn invest in) and certain over-the-counter derivative costs. These Indirect costs include, but are not limited to, audit fees, fund administration fees and other operating expenses of the Underlying Fund. However, as the Fund invests into the "No Fee" unit class in the Underlying Fund, no management fee was charged by the Underlying Fund to the Fund. The Fund's indirect costs are estimated to be 0.28% p.a. based on the actual indirect costs for the Fund during the year ended 30 June 2023. Indirect costs are reflected in the unit price of the Underlying Fund (and in turn, the unit price of the Fund) and borne by investors, but they are not paid to the Responsible Entity or Investment Manager. Actual indirect costs for future years may differ.

The Fund's ordinary expenses are 0.18% p.a. based on calculations for the financial year ended 30 June 2023 and are capped at 0.20% p.a. of the NAV of the Fund. Therefore, all ordinary expenses for the Fund relating to the operation of the Fund up to 0.20% p.a. of the NAV are paid by the Fund. The constitution of the Fund provides that ordinary and abnormal expenses incurred by us in relation to the proper performance of our duties in respect of the Fund are payable or reimbursable out of the assets of the Fund and are unlimited. The Investment Manager will bear ordinary expenses of the Fund that exceed the cap of 0.20% p.a. of the NAV of the Fund. If the Investment Manager does not pay the ordinary expenses of the Fund that exceed the cap of 0.20% p.a. of the NAV of the Fund then the

Responsible Entity will have the right to pay those expenses from the assets of the Fund and the ordinary expenses of the Fund may exceed 0.20% p.a. of the NAV of the Fund. The Responsible Entity reserves the right to recover abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect investors' rights, costs to defend claims in relation to the Fund, investor meetings and termination and wind up costs.

Performance fee

In addition to the management fee, Totus may also receive a performance fee.

A performance fee is payable to Totus in respect of each monthly period (or part period where relevant) (a **Performance Period**) when the investment performance of the Fund has exceeded the Benchmark, being the performance of the Reserve Bank of Australia's cash rate, assuming the high-water mark has been met.

The Performance Fee is 20.5% of the total return of the Fund (after management fees and expenses have been deducted and after adjustments for any income or capital distributions) that is in excess of the Benchmark return, and is calculated daily and payable monthly in arrears. Performance fees are paid subject to the 'high-water mark' being met for the relevant calculation period. The high-water mark is the highest unit price for the Fund at the end of a prior Performance Period in which a performance fee has been paid, adjusted for any income or capital distributions.

For example, if the Benchmark return was 2% at the end of a Performance Period and the Fund returned (after deduction of the management fee and expenses, but before performance fees) 10% and the NAV of the Fund as at the end of the Performance Period was \$100,000, then the performance fee for that Performance Period would be \$1,640 (calculated as $\$100,000 \times [10\% - 2\%] \times 20.5\%$). This example assumes that the Fund's unit price exceeds the high-water mark.

As the Fund invests into the "No Fee" unit class in the Underlying Fund, no performance fee is charged by the Underlying Fund to the Fund.

Service fees

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

FEES AND OTHER COSTS (CONT.)

Transaction costs

Transaction costs include brokerage, settlement costs, bid-offer spreads on investments, any borrowing costs, clearing costs and any applicable stamp duty costs. When you invest in the Fund, Totus may buy (and sell) investments, and incur these costs directly or indirectly through the Underlying Fund. When you withdraw, Totus may sell investments so it can pay your withdrawal proceeds to you, and incur these costs.

These costs are, or may also be, incurred in connection with day to day trading within the Fund.

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

The current buy/sell spread for the Fund is +/- 0.25% of the value of units being bought or sold. This charge is levied as an additional cost to investors applying for units or withdrawing units and is retained in the Fund, not paid to Perpetual or Totus. The application of a buy/sell spread means that transaction costs for investor-initiated transactions are allocated to the investor initiating the transaction, rather than being spread across the whole Fund. There is no spread payable on reinvestment of distributions nor is there any spread payable in respect of units in the Underlying Fund. Perpetual may vary the buy/sell spread from time to time and prior notice will not normally be provided to you.

Transaction costs for FY2023	Recovery through buy/sell spread	Net transaction costs for FY2023
0.77%	0.25%	0.52%

Our estimate of the total transaction costs for the Fund during the year ended 30 June 2023 was calculated using the actual costs incurred by the Fund and the Underlying Fund during the year ended 30 June 2023. We expect this amount to vary from year to year as it will be impacted by the volume of trading, brokerage arrangements and other factors. The amount recovered through the buy/sell spread was calculated by applying the Fund's buy/sell spread rate of 0.25% to an assumed application of \$50,000. We expect this amount to vary from year to year as it will be impacted by the volume of applications and withdrawals and any changes in the buy/sell spread for the Fund. The net transaction costs are the difference between these two amounts. All of these amounts are expressed as a percentage of the Fund's average net asset value for the year. Based on an average account balance of \$50,000 over a one-year period, the net transaction costs represent approximately \$260.00.

Please refer to Fund's website at www.totuscapital.com.au for information on unit prices. Remember, past performance is not an indicator of future performance and any transaction costs for a given year may not be repeated in a future year.

Perpetual has a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices, including all transaction costs and the buy/sell spread. This is called the unit pricing policy and records are kept of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

FEES AND OTHER COSTS (CONT.)

Commissions and soft dollar payments

Where permitted by relevant law, Totus may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are a benefit to the Underlying Fund (and in turn the Fund) (as may be permitted under applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out (brokers) provided that the quality of transaction execution is consistent with Totus' best execution standards.

Totus considers several factors deemed relevant in determining whether a broker will provide best execution, including, among other things, the provision of research products and investment ideas, introduction to potential investee companies, access to investment opportunities and initial public offerings and placements which are for the benefit of the Underlying Fund (and in turn the Fund).

The commission rates charged by brokers in these circumstances may be higher than those charged by other brokers who do not offer such services or by the same broker if it only provides execution services.

Examples of research products and services that Totus may receive from brokers include analyses and reports concerning industries, securities and economic factors, and trends.

The Underlying Fund will pay appropriate negotiated brokerage rates that may include, where applicable, execution, research and other services. In addition, Totus has the discretion to pay brokerage commissions in excess of discounted rates, and up to full service brokerage rates, for quality brokerage execution and the provision of research or other appropriate services that Totus determines to be beneficial to the Underlying Fund (and in turn the Fund).

Totus may pay brokers' commissions for effecting portfolio transactions in excess of amounts other brokers would have charged for effecting similar transactions if Totus determines in good faith that such amounts are reasonable in relation to the value of the research and other services provided, viewed in terms of the particular transaction or Totus' overall duty to the Underlying Fund and the Fund.

Differential fees

The law allows us to negotiate fees with "wholesale" investors or otherwise in accordance with ASIC requirements. The size of the investment and other relevant factors may be taken into account. We generally don't negotiate fees. However, Totus may negotiate investment management and/or performance fees with very large wholesale clients only. The terms of these arrangements are at Totus' discretion.

Can the fees change?

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation. However, investors will be given 30 days' written notice of any increase in fees or as otherwise required by law. At its discretion and without the consent of investors, the Responsible Entity may change the fees set out in this PDS up to the amounts set out in the Fund's constitution, or apply such fees set out in the Fund's constitution that are not currently charged.

The Fund Constitution sets the maximum amount we can charge for all fees. If we wished to raise fees above the amounts allowed for in the Fund Constitution, we would need the approval of investors.

Changes to the level of expense recoveries, indirect costs, transactional and operational costs and the buy/ sell spread do not require prior notice to investors.

If you would like to calculate the effect of fees and costs on your investment you can visit the ASIC website (www.moneySMART.gov.au) and use their managed investment fee calculator.

Adviser remuneration

The law restricts payments by us and Totus to other AFSL holders which are 'conflicted'. Therefore, no commissions will be paid by us to financial advisers.

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

Government charges and taxation

Government taxes such as GST are applied to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. All fees and expenses are inclusive of GST net of reduced input tax credits available to the Fund. See section 12 for further details.

HOW TO APPLY FOR UNITS AND WITHDRAW YOUR MONEY

9.1 Initial applications

Investors interested in investing in the Fund must complete the application form accompanying this PDS and post, email or fax the original signed application form and original certified copies of your identification document(s) to:

Totus Alpha Long Short Fund
c/- Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Fax +61 2 9251 3525
Email registry@apexgroup.com

Alternatively, investors can complete the initial application online or download the initial application form from the Totus website (www.totuscapital.com.au).

Initial applications are subject to a minimum application amount. The minimum application amount is \$25,000 (unless otherwise agreed by the Responsible Entity and Investment Manager). Payment for units in the Fund must be made by cheque or direct deposit to the account shown on the application form. By signing the application form investors agree that neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any instruction sent to the Fund or the Administrator but in respect of which no acknowledgment is received.

Notwithstanding the method of communication, the Fund and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Please note that messages sent via email must contain a duly signed document as an attachment.

If your correctly completed application form (together with relevant Know Your Customer documents) is received and accepted and cleared funds are received in the Fund's subscription account before 3.00 pm Sydney time, the application will generally be processed each business day using the unit price calculated for that business day. If applications are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day. For example, accepted applications received before 3.00 pm Sydney time on 2 March would be processed for the issue of units as of 2 March, using the application price of 2 March. Applications received after this time will be carried forward and processed the next business day. The price at which units are issued is determined in accordance with the Fund Constitution. The issue price is in general terms, equal to the net asset value of the units in the Fund, divided by the

number of units on issue and adjusted for the buy spread. At the date of this PDS, a buy spread of 0.25% is being charged. The issue price will vary as the market value of assets in the Fund rises or falls. See the 'Transactional and operational costs' information in the fees section for further information.

No interest will be paid to investors on application amounts received. Application monies will be held in a trust account until they are invested in the Fund and any interest earned will not be paid to applicants but will be retained for the benefit of the Fund.

Perpetual reserves the right to refuse any application without giving a reason. If for any reason Perpetual refuses or is unable to process your application to invest in the Fund, Perpetual will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, applications made without providing all the information and supporting identification documentation requested on the application form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

If you are investing through an IDPS you should refer to the IDPS Guide for the minimum initial investment amount.

9.2 Additional applications

Additional investments will be accepted daily and may be made by completing an additional application form which can be obtained from the Totus website (www.totuscapital.com.au). The minimum additional investment is \$10,000, or such lesser amount as agreed by the Responsible Entity and Investment Manager. Completed forms can be posted, emailed or faxed to the Administrator at:

Totus Alpha Long Short Fund
c/- Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Fax +61 2 9251 3525
Email registry@apexgroup.com

Payment for additional investments must be made by cheque or direct deposit in the same manner as payment is made for an initial investment (see initial applications above). If your correctly completed application form is received and accepted and cleared funds are received in the Fund's subscription account before 3.00 pm Sydney time, your application will generally be processed using the

HOW TO APPLY FOR UNITS AND WITHDRAW YOUR MONEY (CONT.)

unit price calculated for that business day. If applications are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day.

If you are investing through an IDPS you should refer to the IDPS Guide for the minimum additional investment amount.

9.3 Cooling off period

If you decide that you don't want the units we have issued you in the Fund, we must repay your money to you. We are allowed to (and generally do) make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs. For example, if you invest \$50,000 and the value of the units falls by 1% between the time you invest and the time we receive notification that you wish to withdraw your investment, you would receive the reduced unit value. This means that \$49,376.25 (which includes the 1% reduced unit value and the impact of the buy/sell spread) less any tax and reasonable transaction and administration costs would be transferred from the Fund back to you.

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

- When we send you confirmation that you are invested; or
- The end of the 5th business day after the day on which we issue the units to you.

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

Investors investing in the Fund via an IDPS should speak to the operator of that service to determine whether cooling off rights are available to them for that service.

9.4 Investing through an IDPS

Indirect Investors do not themselves become investors in the Fund, and accordingly have no rights as a unitholder. The IDPS Guide should have further details. If you are an Indirect Investor, generally the relevant IDPS Operator acquires the rights of a unitholder.

Unitholder rights include the right to attend unitholder meetings, to make withdrawal requests, receive and reinvest distributions and participate in termination proceeds. Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS, which you should read carefully prior to directing the IDPS Operator to invest in the Fund.

Indirect Investors complete application forms for the IDPS, not the Fund, and receive reports from their IDPS Operator and enquiries concerning the operation of the IDPS should be directed to that IDPS Operator. Minimum investment and withdrawal requirements may not always be relevant to Indirect Investors because the IDPS Operator may invest on behalf of a number of Indirect Investors.

Indirect Investors will also incur fees and expenses applicable to the IDPS, as well as the Fund's fees and expenses.

The tax information in this PDS does not specifically cater for Indirect Investors.

For complaints resolution, please refer to Section 9.5.

9.5 Enquiries and complaints

For any enquiries regarding your investment or the management of the Fund please contact the Administrator or the Investment Manager:

Totus Alpha Long Short Fund
c/- Apex Fund Services – Registry Services
GPO Box 4698
Sydney NSW 2001

Phone 1300 133 451 or +61 2 8259 8888 (international)

Email registry@apexgroup.com

Totus Alpha Management Pty Ltd
Level 8
139 Macquarie Street
Sydney NSW 2000

Phone +61 2 8072 9945

Email ir@totuscapital.com.au

The Responsible Entity has established procedures for dealing with complaints. If you have a complaint, you can contact the Responsible Entity and/or the Investment Manager during business hours using the details at the beginning of this PDS. It helps us if you have your investor number handy when you contact us.

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

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

HOW TO APPLY FOR UNITS AND WITHDRAW YOUR MONEY (CONT.)

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

You can contact AFCA on the following details:

Mail Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone 1800 931 678 (free call)

Email info@afca.org.au

Website www.afca.org.au

9.6 Making a withdrawal

Requests for withdrawals may be made in writing using the withdrawal form (see www.totuscapital.com.au), email or fax to the Administrator at:

Totus Alpha Long Short Fund
c/- Apex Fund Services Pty Ltd
GPO Box 4968
Sydney NSW 2001

Fax +61 2 9251 3525
Email registry@apexgroup.com

The withdrawal request should set out the Unitholder's name, investor number, the number of units or amount to be withdrawn and details of the bank account into which the proceeds can be directed. Withdrawal requests are to be signed by the Unitholder or authorised signatory and in the case of a Unitholder which is a company, should be executed in accordance with the company's constitution.

If withdrawal requests are received and accepted by Apex before 3.00 pm Sydney time, then they are generally processed each business day using the unit price calculated for that business day. If withdrawal requests are received and accepted by Apex after this time, or on a non-business day, it is treated as having been received before 3.00 pm Sydney time the next business day. For example, if a signed and completed withdrawal request is received on 2 March before 3.00 pm Sydney time, the withdrawal request would be processed for the redemption of units as at 2 March, using the withdrawal price of 2 March. Withdrawals are subject to a minimum withdrawal amount and to the minimum investment balance requirement. The minimum withdrawal amount is \$25,000 (unless otherwise agreed by the Responsible Entity and Investment Manager). The minimum investment balance is \$25,000 namely the

total amount of the Unitholder's investment must not be less than \$25,000. The Responsible Entity and Investment Manager may at their discretion waive any minimum investment requirements.

Withdrawal proceeds will generally be payable within 10 business days after the withdrawal price has been calculated. There can be delays in certain circumstances, as set out below. In addition, it should be noted that withdrawals at 30 June will not be payable until the distribution for the year ended on that date is finalised. Withdrawal proceeds for June and July are therefore likely to be delayed.

No redemption proceeds will be paid to the redeeming Unitholder until the Administrator has received the redemption request signed by the Unitholder or an authorised signatory of the Unitholder.

Neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile or email. Facsimiles or emails sent to the Fund or the Administrator shall only be effective when actually received by the Fund or the Administrator. Unitholders are advised to contact the Administrator by telephone to confirm that the Administrator has received the facsimile or email redemption request.

The price at which units are withdrawn is determined in accordance with the Fund Constitution. The withdrawal price is in general terms, equal to the net asset value of the units in the Fund, divided by the number of units on issue and adjusted for the sell spread. At the date of this PDS, a sell spread of 0.25% is being charged. The withdrawal price will vary as the market value of assets in the Fund rises or falls. See the 'Transactional and operational costs' information in the fees section for further information. Under the Fund Constitution, Perpetual is permitted to pay proceeds in kind (i.e. in specie).

The Responsible Entity reserves the right to fully withdraw your investment if your investment balance in the Fund falls below the minimum balance amount as a result of processing your withdrawal request. If we increase the minimum balance amount, we also reserve the right to fully withdraw your investment in the Fund upon giving 30 days' notice where your investment is less than the increased minimum balance amount. At the date of this PDS, the minimum balance amount is \$25,000.

The Responsible Entity may deny a withdrawal request in its absolute discretion.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

HOW TO APPLY FOR UNITS AND WITHDRAW YOUR MONEY (CONT.)

9.7 Access to funds

Generally withdrawal proceeds are payable within 10 business days after the withdrawal price has been calculated.

In certain circumstances, access to your money can be delayed. The Responsible Entity can delay withdrawal of your money for 180 days or such period (as considered appropriate by the Responsible Entity) in accordance with the Fund Constitution, including where:

- There is a circumstance outside the Responsible Entity's reasonable control which it considers impacts on its ability to properly, accurately or fairly calculate a unit price;
- The Responsible Entity has received redemption requests in relation to a particular valuation time, and the total redemption monies which would be payable in respect of this time (the relevant time) represent more than 5% of the value of the net assets of the Fund, and in this case, the Responsible Entity can redeem the units at such future time, or at times over such period, as the Responsible Entity determines;
- It is, for any reason, impractical to calculate the net asset value of the assets, including because of the closure of an exchange or trading or withdrawal restrictions in respect of a security.

Unit prices are generally calculated at the time the delay ends.

The Fund Constitution sets out the detail of the circumstances in which the Responsible Entity can delay withdrawal of your money. A copy of the Fund Constitution is available free of charge on request from the Responsible Entity or Investment Manager.

The Responsible Entity may withdraw units without an investor asking in limited circumstances, including:

- If you have breached your obligations to the Responsible Entity;
- To satisfy any amount of money due to the Responsible Entity (as trustee and responsible entity or in any other capacity) by you;
- To satisfy any amount of money the Responsible Entity (as trustee and responsible entity or in any other capacity) owes someone else relating to your investment (for example, to the Investment Manager or to the ATO);
- Where the Responsible Entity suspects that law prohibits you from legally being an investor in the Fund; or
- Such other circumstance as the Investment Manager determines to be appropriate in its absolute discretion.

The Fund Constitution sets out other circumstances where compulsory redemption may apply. A copy of the Fund Constitution is available free of charge on request from the Responsible Entity or Investment Manager.

9.8 Terms and conditions for withdrawals

Once your withdrawal request is received, your instruction may be acted on without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Perpetual and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of non-receipt or corruption of any message, you will be required to re-send the documents.

No withdrawal proceeds will be paid until the Administrator has received the withdrawal request signed by you or your authorised signatory. Neither Perpetual nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile or emails. Facsimiles or emails sent to the Administrator shall only be effective when actually received by the administrator.

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

- 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. 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;
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier or fax or email, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority;
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against us about the payment;
- Perpetual can deny a withdrawal request for any reason, including where accepting the request would cause the Fund to cease to be liquid or where the Fund is not liquid (as defined in the Corporations Act).

When the Fund is not liquid, you can only withdraw when Perpetual makes a withdrawal offer to you in accordance with the Corporations Act. Perpetual is not obliged to make such offers. The Fund will be liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities).

HOW TO APPLY FOR UNITS AND WITHDRAW YOUR MONEY (CONT.)

9.9 Joint account operation

For joint accounts, unless indicated to the contrary on the Application Form, each signatory must sign withdrawal requests. Please ensure all signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants unless we are advised to the contrary in writing.

9.10 Appointment of authorised nominee to operate account

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial application form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- Making additional investments;
- Requesting income distribution instructions to be changed;
- Withdrawing all or part of your investment;
- Changing bank account details;
- Enquiring and obtaining copies of the status of your investment; and
- Having online account access to your investment.

If you do appoint an authorised signatory:

- You are bound by their acts;
- You release, discharge and indemnify Perpetual and the Administrator from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- You agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

9.11 Electronic withdrawals

If you instruct Perpetual and/or the Administrator by electronic means, such as email, facsimile or via the internet, you release Perpetual and the Administrator from all losses and liabilities arising from any payment or action Perpetual and the Administrator makes based on any instruction (even if not genuine):

- That Perpetual and/or the Administrator receives by an electronic communication bearing your investor code; and
- Which appears to indicate to Perpetual and/ or the Administrator that the communication has been provided by you (for example, it has a signature which is apparently your signature or your authorised signatory's or it has an email address which is apparently your email address).

You agree that neither you nor anyone claiming through you has any claim against Perpetual and the Administrator or the Fund in relation to such payments or actions.

There is a risk that a fraudulent withdrawal request can be made by someone who has access to your investor code and a copy of your signature or email address. Please take care.

9.12 Distributions

The Fund usually distributes income annually at the end of June. Distributions are calculated on 30 June, and are normally paid to investors within 30 business days of the period end. Distributions may also be paid at other times, or in some years, not paid at all. Perpetual may amend the distribution frequency without notice.

Your share of any distributable income is calculated in accordance with the Fund Constitution and is generally based on the number of units held by you at the end of the distribution period and the distributable income.

You can have your distribution reinvested or paid to a nominated bank account. If you do not indicate a preference you will have your distributions automatically reinvested.

Indirect Investors should review the IDPS Guide for information on how and when they receive any income distribution.

KEEPING TRACK OF YOUR INVESTMENT

10.1 Keeping you informed

The Administrator or the Investment Manager, on behalf of the Responsible Entity, will:

- Confirm every transaction you make;
- Soon after June each year send you a report to help you with your tax return;
- Each year (around October) make the accounts of the Fund available to you;
- Send you your annual statement; and
- Notify you of any material changes to this PDS and any other significant event as required by law.

Where you have provided us with your email address, we will send notices of meetings, other meeting-related documents and annual financial reports (each a “Communication”) to you electronically unless you elect to receive these in physical form and notify us of this election.

You have the right to elect whether to receive some or all of these Communications in electronic or physical form and the right to elect not to receive annual financial reports at all. You also have the right to elect to receive a single specified Communication on an ad hoc basis, in an electronic or physical form.

When the Fund has more than 100 investors it will be considered a “disclosing entity” for the purposes of the Corporations Act. This means the Fund will be subject to regular reporting and disclosure obligations.

Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors will have a right to obtain a copy, free of charge, in respect of the Fund, of:

- The most recent annual financial report; and
- Any half yearly financial report lodged with ASIC and any continuous disclosure notices given by the Fund after that most recent annual financial report but before the date of this PDS.

Continuous disclosure obligations will be met by following ASIC’s good practice guidance via website notices rather than lodging copies of these notices with ASIC. Accordingly should Perpetual, as Responsible Entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of any continuous disclosure obligations, we will ensure that such material information will be made available as soon as practicable on Totus’ website (www.totuscapital.com.au). If you would like hard copies of this information, please contact Investor Relations (email ir@totuscapital.com.au or phone +612 8072 9945) and you will be sent the information free of charge.

10.2 Periodic reporting

Regular reports about the Fund are provided to you.

These reports comprise:

- Annual Report including financial statements and auditor’s report will be made available on the Totus website at www.totuscapital.com.au from October each year;
- Transaction Reports confirming all additional investments, withdrawals, and payments (issued following transactions and on request);
- Statements as follows:
 - Monthly statements to confirm closing units and value of holding;
 - Distribution statements every distribution period confirming distribution amount and reinvestment/ payment to nominated account;
 - Annual investor statements to confirm closing units, value of investments and income from investments;
 - Tax Statements issued annually, providing you with taxation information including a detailed summary of the components of any distributions.

The following information pertaining to the Fund and the Underlying Fund will be provided to investors as at 30 June each year in an annual report:

- Investment allocation by asset type;
- Investment asset liquidity profiles;
- Liability maturity profiles;
- Leverage ratios (including leverage embedded in the assets of the Fund, other than listed equities and bonds);
- Derivatives counterparties engaged (including any capital protection providers);
- Monthly and annual investment returns over a prior five year period (or, where the Fund has not been operating for five years, returns since inception); and
- Key service providers (if they have changed since the latest report given to investors).

The following information is available on the Totus website (www.totuscapital.com.au) and is disclosed monthly:

- The current total net asset value of the Fund and the redemption value of a unit in the class of units offered through this PDS as at the date the net asset value was calculated;
- The key service providers if they have changed since the last report given to investors, including any change in their related party status; and
- For each of the following matters since the last report on those matters:
 - The net return on the Fund’s assets after fees, costs and taxes;
 - Any material change in the Fund’s risk profile;
 - Any material change in the Fund’s investment strategy; and
 - Any change in the individuals playing a key role in investment decisions for the Fund.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING AND OTHER RELEVANT LEGISLATION

11.1 Anti-money laundering and counter-terrorism financing

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

- 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.

The Responsible Entity and any agent acting on its behalf reserve the right to request such information as is necessary to verify your identity and the source of the payment.

In the event of delay or failure by you to produce this information, the Responsible Entity 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 the Responsible Entity nor its agents shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Responsible Entity has implemented several measures and controls to ensure it complies with its 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 has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- Where transactions are delayed, blocked, frozen or refused the Responsible Entity or its 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 the Responsible Entity's compliance with the AML Requirements as they apply to the Fund; and

- Responsible Entity or any agents acting on its behalf may from time to time require additional information from you to assist it in this process.

The Responsible Entity 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, the Responsible Entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither the Responsible Entity nor its agents are liable for any loss you may suffer as a result of the Responsible Entity's compliance with the AML Requirements.

11.2 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

The Foreign Account Tax Compliance Act (**FATCA**) is a US tax law which was enacted to improve reporting of US persons' offshore investments to the United States Internal Revenue Service (**IRS**) and can apply to certain Australian financial institutions. The Fund may be required to report certain information to the Australian Taxation Office (**ATO**), which may then pass the information on to the US IRS. In order to comply with FATCA requirements, we:

- may require you to provide certain information regarding tax residency and relevant information for you (and your controlling persons, where applicable) (either at the time you make an application to invest in the Fund or any time after we issue units to you);
- may undertake certain due diligence procedures to determine your status for FATCA reporting purposes;
- will report required financial information (if any) about relevant investors' investment in the Fund to the ATO (who will provide that information to the IRS) on an annual basis; and
- may withhold tax as required under FATCA.

By making an application to invest in the Fund, you agree to provide us with the required information (tax residency and related information related to you and your controlling persons, if applicable) in order to comply with our FATCA obligations and, upon becoming an investor, to provide us with the required information (tax residency and related information related to you and your controlling persons, if applicable) in order to comply with our FATCA obligations and to update us promptly if there is any change to this information provided.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING AND OTHER RELEVANT LEGISLATION (CONT.)

The Common Reporting Standard (CRS) is a global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The requirements are similar to those which exist under FATCA, however, the CRS applies to a greater number of countries. Australia has signed the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Account Information. This multilateral framework agreement provides the mechanism and enables CRS information to be exchanged between the tax authorities of the jurisdictions that have adopted CRS legislation. The Australian CRS legislation took effect from 1 July 2017. As a result, we are required to collect certain information about foreign tax residents (and controlling persons who are foreign tax residents, where applicable) and provide it to the ATO. Further, the ATO may pass this information on to tax authorities in other jurisdictions. By making an application to invest in the Fund, you agree to provide us with the required information (tax residency and other information related to you and your controlling persons, if applicable) in order to comply with our CRS obligations and, upon becoming an investor, to update us promptly if there is any change to this information provided. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received.

TAX INFORMATION

12.1 General

The following taxation information is of a general nature and should not be relied upon by investors.

12.2 Taxation Considerations

As taxation consequences can only be determined by reference to investors' particular circumstances, investors should seek independent professional advice in relation to their own particular circumstances before investing in the Fund.

The information provided below is based on applicable Australian tax laws as at the date of this PDS and is applicable to Australian resident individual investors who will hold their units on capital account.

12.3 Tax Position of the Fund – Non-AMIT

The following commentary is applicable to the Fund where it is not an Attribution Managed Investment Trust (**AMIT**) during the income year.

The Fund is a resident of Australia for taxation purposes and will determine net income annually at 30 June.

Generally, no Australian income tax will be payable by the Fund, as it is the intention that the net income of the Fund will be distributed in full each year to investors. The Fund may derive income comprising interest, franked and unfranked dividends, other income and realised gains from the disposal of equities and other investments.

The eligibility of investors to utilise franking credits on dividends received and distributed by the Fund is subject to certain conditions such as the holding period rule. Similarly, the eligibility of investors to utilise foreign income tax offsets may be subject to certain conditions or caps.

Generally speaking, an investor must hold their units 'at risk' for at least 45 days (90 days for preference shares) to be entitled to franking credits flowing through the Fund. If there is an entitlement to franking credits, the franking credits are also included in assessable income of the investor.

The Fund may be eligible to make a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election means gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are derivatives, foreign exchange or any other investments that are subject to the Taxation of Financial Arrangement (**TOFA**) provisions), are subject to capital account treatment.

If the investment has been held by the Fund for at least 12 months, an investor may be able to apply a CGT discount to any net capital gain distributed to them. The CGT discount for individuals

and certain trusts is 50% (conditions apply), whilst complying superannuation funds are entitled to a 33.33% discount. No discount applies for companies. Australian capital losses realised by the Fund are quarantined within the Fund and may be carried forward to offset capital gains made in the future.

In the case where the Fund makes a revenue loss for tax purposes, this loss cannot be distributed to investors. It may be available for recoupment by the Fund against net income in future years subject to certain conditions.

12.4 Tax Position of Australian Resident Investors

Distributions

After the Fund's year-end, investors will be issued with an annual statement detailing the composition of the distributions they have received in respect of that year.

Generally, an investor's entitlement to net income for any year, including amounts reinvested by investors, will form part of an investor's assessable income and should be included in the investor's tax return for the year in which the entitlement arises.

Foreign Income

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, you may be entitled to receive a foreign income tax offset (**FITO**). You will usually include the foreign income and the FITO in your assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of the FITO will be detailed in the tax report provided to you.

Disposal of Units

A taxable capital gain or loss may arise from the disposal of an investment in the Fund and may form part of an investor's assessable income. The taxable gain or loss may be treated as a capital gain or loss or as ordinary income, depending on the investor's particular circumstances.

If the taxable gain is treated as a capital gain, individuals, trusts and complying superannuation funds may be entitled to a capital gains tax discount in relation to the disposal of units where the units have been held continuously for 12 months and other requirements are met. Companies are not entitled to this discount.

The Fund may distribute non-assessable amounts which are generally not subject to income tax. Broadly, the receipt of certain non-assessable amounts may reduce the cost base of the investor's investment in the Fund. If the investor has no cost base the amounts may trigger a taxable capital gain.

AMIT Regime

The *Tax Laws Amendment (New Tax System for Managed Investment Trust) Act 2016* governs the Attribution Managed Investment Trust (AMIT) regime. The taxation treatment of the Fund and of Australian resident investors may be affected

TAX INFORMATION (CONT.)

by the AMIT regime. Outlined below are the circumstances in which the AMIT regime will apply and the effect it may have on the Fund and the Australian resident investors.

The taxation of managed investment trusts that qualify as an AMIT (the **AMIT Rules**) may be applicable to the Fund from inception, subject to the Fund satisfying the relevant eligibility requirements, which are discussed below. Among other objectives, the aim of the AMIT Rules is to remove a number of uncertainties for trustees and investors that exist under the previous existing tax law and to facilitate fair and reasonable tax outcomes for investors.

The AMIT Rules do not apply automatically to all managed investment trusts. For the AMIT Rules to apply, the Fund must satisfy certain requirements to qualify as an AMIT and Perpetual must make an election (which is irrevocable) to apply the AMIT Rules to the Fund. The Fund Constitution contains provisions which enable, but do not require, Perpetual to make an election to apply the AMIT Rules to the Fund. Perpetual will make an assessment of whether the Fund qualifies as an AMIT and whether it will make an irrevocable election to apply the AMIT Rules to the Fund (and the date from which that election is to take effect). If the Fund meets the eligibility requirements, Perpetual is expected to make an election to apply the AMIT Rules.

This section outlines some of the key implications of the AMIT Rules for Australian Resident Investors. It is not intended to be exhaustive or to constitute advice about the impact or merits of the AMIT Rules for any individual investor.

Tax Position of the Fund under the AMIT Rules

If the AMIT Rules apply to the Fund:

- The Fund will be deemed to be a 'fixed trust' for taxation law purposes;
- Perpetual could elect for the Fund to be a multi-class AMIT;
- Perpetual can rely on specific legislative provisions in making year-on-year adjustments to reflect under or over;
- The Fund's income will be attributed to investors. This attribution must be on a 'fair and reasonable' basis taking account of the investor's entitlements to the Fund's income and/or capital, which must be clearly defined in the Fund Constitution; and
- Where income is not paid in cash to investors, upward cost base adjustment can arise. There is more legislative certainty about the treatment of tax deferred distributions.

Tax Position of Australian Resident Investors under the AMIT Rules

Australian Resident Investors will be subject to tax on the income of the Fund which is attributed to them under the AMIT Rules. It is noted that under the AMIT rules cash does

not need to be paid to you equal to amounts attributed. The tax payable (if any) depends on the investor's individual tax profile and applicable tax rate. This is similar to the way in which investors would be subject to tax on the income of a Fund, that is not an AMIT, to which they are 'presently entitled'.

As Perpetual intends to make an election to apply the AMIT Rules to the Fund, it is required to provide investors with an AMIT Member Annual Statement (**AMMA Statement**). The AMMA Statement will set out the amount which has been 'attributed' to an investor (and, where relevant, its components) and other relevant tax information.

Additionally, there is a new cost base adjustment mechanism under the AMIT Rules. Broadly, under the AMIT Rules, an investor's cost base in the units they hold in the Fund can be increased if an amount is attributed to an investor for tax purposes. Any cash distributed to an investor will reduce their cost base. Cost base adjustments can also arise in other circumstances, the AMMA Statement will provide you with details as to whether you will have an AMIT cost base net increase amount or an AMIT cost base net decrease amount.

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.

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

It is not compulsory for you to quote your TFN or ABN. If you are making an investment in the Fund in the course of a business or enterprise carried on by you, you may quote an ABN instead of a TFN.

If you fail to quote an ABN or TFN or claim an exemption, Perpetual may be obliged to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) or deemed payments to you.

Perpetual's Reporting Obligations

The Government has announced that it will implement the OECD Common Reporting Standard which may require Perpetual to report information in relation to non-resident members to the ATO to be provided to foreign tax authorities.

Goods and Services Tax (GST)

The GST information provided in this section is of a general nature only.

GST will apply to most expenses of the Fund including management fees and performance fees. The Fund may be entitled to claim an RITC for some of these expenses. Fees and expenses included in section 8 are quoted on a GST inclusive basis less any RITC available to the Fund.

ADDITIONAL INFORMATION

13.1 Consents

The Investment Manager, Custodian and Administrator, MS, EY and Totus Capital Pty Ltd have each given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS for the Fund in the form and context in which they are named.

The Investment Manager, Custodian and Administrator, MS, EY and Totus Capital Pty Ltd are service providers to the Fund or Underlying Fund and except as otherwise stated in this section have not been involved in the preparation of this PDS and do not accept any responsibility or liability for any information contained in this PDS. In addition, the Custodian and Administrator, MS, EY and Totus Capital Pty Ltd are not involved in the investment decision-making process for the Fund.

13.2 Fund Constitution

The Fund is governed by the Fund Constitution. The Fund Constitution establishes the Fund and sets out the rules. Together with this PDS and the law from time to time, it governs your relationship with Perpetual. The operation of the Fund, the duties and obligations of the Responsible Entity and the rights of Unitholders are governed by the Fund Constitution together with applicable law. The Fund Constitution covers a number of matters including:

- Determination and payment of distributable income;
- The Responsible Entity's powers;
- The Responsible Entity's indemnity for all liabilities incurred in the proper performance of its duties; and
- Unitholder meetings.

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

The Fund Constitution limits Perpetual's need to compensate you if things go wrong. Generally, if Perpetual acts in good faith and without gross negligence, it is not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund. Further, if Perpetual acts in good faith and without gross negligence, it is entitled to be indemnified from the assets of the Fund for any liability incurred by it in relation to the Fund (including any liability incurred because of an agent or delegate, including Totus).

The Fund Constitution also contains a provision that it alone is the source of the relationship between you and Perpetual and not any other laws (except, of course, those laws that can't be excluded). Generally, Perpetual must have investor approval to make changes to the Fund Constitution which are considered to be adverse to investors' rights.

You can obtain a free copy of the Fund Constitution by contacting Totus on +612 8072 9945 or ir@totuscapital.com.au.

13.3 Your Rights

The Fund Constitution governs your rights as a unitholder in the Fund. The Fund Constitution includes the right to:

- Receive distributions (where applicable) during your investment term and on termination of the Fund;
- Receive copies of accounts and other information for the Fund; and
- Attend and vote at unitholder meetings.

You do not have the right to participate in the management or operation of the Fund.

13.4 Non-listing of units

Units in the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

13.5 Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Fund Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the aggregate of the withdrawal price for each of the units they hold in the Fund.

13.6 Compliance Plan

Perpetual has prepared and lodged a Compliance Plan for the Fund with ASIC. The Compliance Plan describes the procedures used by Perpetual to comply with the Corporations Act and the Fund Constitution. Each year the Compliance Plan for the Fund is audited and the audit report is lodged with ASIC.

ADDITIONAL INFORMATION (CONT.)

13.7 Privacy statement

The Responsible Entity 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 (which, for New Zealand investors, includes the New Zealand Privacy Act 2020). 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 the Responsible Entity'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 the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

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

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

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.

Totus' Privacy Policy is also available on the Totus website www.totuscapital.com.au. Totus' Privacy Policy sets out details of how Totus will collect, store, manage, use and disclose personal information it collects from you. Totus' Privacy Policy also contains information about how you can access and seek correction of the personal information held by Totus, how you can complain to Totus about a breach of the *Privacy Act 1988* (Cth) or any registered code under the Privacy Act that binds Totus and how Totus will respond to and deal with such a complaint.

13.8 Updates to the PDS

This PDS is current as at 20 March 2024. Certain information in this PDS may change from time to time. Where this information is not materially adverse, the updated information will be made available:

- on the Fund's website www.totuscapital.com.au; or
- By calling Totus on +61 2 8072 9945

A paper copy of any updated information will be given to you without charge upon request. If a change is considered materially adverse, the Responsible Entity will replace this PDS or issue a supplementary PDS containing the updated information.

INFORMATION FOR NEW ZEALAND INVESTORS

Units in the Fund offered under this PDS are offered to New Zealand as well as Australian investors.

14.1 New Zealand investors' warning statement

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

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

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

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

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

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

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

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

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

14.2 New Zealand disclosures relating to distribution reinvestment

Distributions from the Fund may be reinvested resulting in additional units being issued to you.

Units issued as part of a distribution will be allotted in accordance with the terms and conditions set out in the constitution of the Fund and this PDS.

The allotment of units as part of a distribution described in this PDS is offered to New Zealand investors on the following basis:

- At the time the price of the units allotted as part of a distribution reinvestment is set, we will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the units if the information were publicly available.
- The right to acquire, or require us to issue, units as part of a distribution reinvestment will be offered to all investors in the Fund of the same class, other than those who are resident outside New Zealand and who are excluded by us so as to avoid breaching overseas laws.
- Every investor to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued or transferred on the terms disclosed to you in this PDS, and will be subject to the same rights as units issued or transferred to all investors of the same class as you who agree to receive the units.

INFORMATION FOR NEW ZEALAND INVESTORS (CONT.)

You have the right to receive from us, on request and free of charge, a copy of:

- The most recent annual report of the Fund (if any);
- The most recent financial statements of the Fund and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
- A copy of the auditor's report on those statements (if any);
- The current PDS;
- The constitution of the Fund and any amendments to it.

Copies may be obtained electronically at www.totuscapital.com.au or by emailing ir@totuscapital.com.au. Within 30 days of the day on which the units in the Fund are allotted to you, you will be sent a statement of the amount of the distribution and the number of units that have been allotted to you.

The above statements are required pursuant to New Zealand's financial markets legislation. For the avoidance of any doubt, the Responsible Entity will only remit distributions and redemptions in Australian dollars. If you credit New Zealand dollars to the Responsible Entity's application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You may avoid these fees by only crediting Australian dollars.

DIRECTORY

Responsible Entity

The Trust Company (RE Services) Limited

ABN 45 003 278 831

AFSL No. 4235150

Level 18, Angel Place

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Email investments@perpetual.com.au

Website www.perpetual.com.au

Investment Manager

Totus Alpha Management Pty Limited

ABN 42 155 226 734

A Corporate Authorised Representative
(CAR 419151) of Totus Capital Pty Limited

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Website www.totuscapital.com.au

Custodian / Administrator

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