

## Product Disclosure Statement

23 August 2021

This PDS dated 23 August 2021 is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 ("**Responsible Entity**", "**us**", "**our**", "**we**"), as responsible entity of the Swell Global Fund (**Fund**) ARSN 649 827 921 APIR PIM3899AU, ISIN AU60PIM38995.

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### Important information

This PDS is prepared in accordance with the shorter PDS regime and summarises significant information relating to the Swell Global Fund ARSN 649 827 921 (**Fund**). It contains a number of references to important information which is contained in the Reference Booklet (which forms part of the PDS). **This is important information you should read together with this PDS and consider before making a decision to invest in the Fund.** You can access the Reference Booklet on Swell's website ([www.swellasset.com.au](http://www.swellasset.com.au)) or request a copy free of charge by calling us on 1300 133 451.

The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should consider the appropriateness of the information in this PDS and the Reference Booklet having regard to your personal objectives, financial situation and needs before acting on the information in this PDS and the Reference Booklet. You should obtain financial advice tailored to your personal circumstances.

Unless identified to the contrary, all references to monetary amounts are to Australian dollars.

### Updated information

The information in this PDS is up-to-date at the time of preparation. However, some information may change from time to time. If a change is considered materially adverse we will issue a replacement PDS. Information in this PDS that is not materially adverse to investors can be updated by us. The updated information will be available on Swell's website, [www.swellasset.com.au](http://www.swellasset.com.au). Please check Swell's website, contact your financial adviser or call us on 1300 133 451 for any updates prior to investing. A paper copy of any updates will be provided free of charge on request.

The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia and does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

Swell Asset Management Pty Ltd ABN 16 168 141 204 (**Swell** or **Investment Manager**), the investment manager of the Fund, has provided its consent to the statements about it in the form and context in which they are included. Swell has not withdrawn its consent before the date of this PDS.

### Contact details

#### Responsible Entity

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## 1. About the Responsible Entity

### The Responsible Entity

The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235150 (Responsible Entity, we, us, ours) is the responsible entity for the Swell Global Fund (the Fund). The Responsible Entity is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 and a part of Perpetual Group which has been in operation for over 130 years. Perpetual Limited is an Australian public company listed on the Australian Securities Exchange for over 50 years.

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

The Responsible Entity is bound by the constitution of the Fund (**Constitution**) and the Corporations Act.

### The Investment Manager

The Responsible Entity has appointed Swell Asset Management Pty Ltd ABN 16 168 141 204 (**Swell or Investment Manager**) as investment manager of the Fund.

Swell is a corporate authorised representative (CAR number 465285) of Hughes Funds Management Pty Ltd (ABN 42 167 950 236, AFSL 460 572). Swell is a boutique investment manager based in Queensland focussed on high quality businesses, long-term investment horizons and capital preservation. Swell is a fundamental, value investor which means its principal objective is capital preservation, placing greater emphasis on preventing losses than reaching for higher returns. The foundation of Swell's investment process is quality, stemming from exceptionally managed companies with clearly articulated strategies for creating value over the long term.

Further information on Swell is provided in Section 1 of the Reference Booklet available on Swell's website at [www.swellasset.com.au](http://www.swellasset.com.au).

## 2. How the Fund works

### About the Fund

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust governed by the Constitution together with the Corporations Act and other laws. Each investor's investment amount is pooled and invested in the manner described in Section 5. The Responsible Entity operates the Fund and investors do not have day to day control over the operation of the Fund.

### Units and unit prices

Investors in the Fund are allocated units in the Fund which represent their beneficial interest in the assets of the Fund, but do not give an investor an interest in any particular asset of the Fund. We may, at our discretion, issue additional classes of units in the Fund with different terms and conditions to those applicable to the units offered under this PDS in accordance with laws and regulations.

When you make an investment in the Fund, you will be allocated units based on the entry price which is calculated as follows:

$$\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of units in issue}}$$

When you withdraw from the Fund, we redeem your units based on the exit price which is calculated as follows:

$$\frac{\text{Net Asset Value} - \text{Transaction Costs}}{\text{Number of units in issue}}$$

The Net Unit Value is calculated each Business Day by the Responsible Entity.

For more information on the Transaction Costs see the Additional explanation of fees and costs in the Reference Booklet to the Product Disclosure Statement.

Unit prices will vary as the market value of the Fund's assets rise or fall. You can obtain a copy of the Responsible Entity's Unit Pricing Discretions Policy and records of any exercise of such discretions under the Unit Pricing Discretions Policy, free of charge by contacting the Responsible Entity.

Unit prices are generally calculated each Business Day. Unit prices will be available at [www.swellasset.com.au](http://www.swellasset.com.au) or by telephoning 07 5551 0299.

### Investing directly

The minimum initial investment in the Fund is \$25,000. We may waive this minimum requirement at our discretion and in certain circumstances may reject an application. Please refer to Section 8 on how to apply.

You may add to your investment at any time. The minimum additional investment is \$5,000.

You should read the important information about **'Making an additional application', 'About your application money', 'Incomplete or rejected application forms', 'Amending your investor details', 'Valuations', 'Instructions received via email or facsimile', 'Transferring units', 'Privacy and your personal information' and 'Anti-Money Laundering & Counter Terrorism Financing Act 2006'** before making a decision. Go to Section 2 'How the Fund works' of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

### Withdrawing

You may request to redeem some or all of your units by either mailing, emailing or faxing a completed Withdrawal Form, which can be downloaded from Swell's website, or send us your written instructions. The minimum withdrawal amount is \$5,000 or your investment balance if it is less than \$5,000. Requests to withdraw must be signed by the appropriate authorised signatories. The Responsible Entity may accept or reject redemption requests in its absolute discretion. Withdrawals will be paid to your nominated Australian Bank Account usually within five Business Days. However, the Fund's Constitution allows us up to 21 days to pay withdrawal requests in certain circumstances.

There may be circumstances, such as a suspension on withdrawals or if the Fund becomes illiquid (as defined in the Corporations Act), where your ability to withdraw your investment from the Fund is restricted and you may not be able to withdraw some or all of your investment within the usual period on request. Subject to the Corporations Act, any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole and in accordance with the Constitution.

You should read the important information about **'Making a withdrawal', 'Restrictions on withdrawing your investment' and 'If the Fund becomes illiquid'** before making a decision. Go to Section 2 'How the Fund works' of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

### Processing

We process your application or withdrawal request each Business Day. The cut-off time is 2pm Sydney time. Requests received on or after the cut-off time will generally be effective the following Business Day.

If we receive an invalid or incomplete application or withdrawal request, the transaction request will be processed using the unit price applying as at the Business Day on which we receive the correct documentation. The cut-off time of 2pm Sydney time still applies.

### Indirect investors

We authorise the use of this PDS for investors who wish to access the Fund indirectly through an Investor Directed Portfolio Service (IDPS), IDPS like scheme or a nominee or custody service (collectively referred to as 'master trust or wrap accounts').

If you invest in the Fund through an IDPS, you should note some information in this PDS may be relevant only for direct investors. This includes information relating to cut-off times for investing, processing times, and the time frame for payment of distributions as well as Fund reporting and investor notices.

You should read the important information about **'Indirect investors'** before making a decision. Go to Section 2 'How the Fund works' of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

**Distributions**

The Fund aims to pay any distributions annually following the end of June each year. The Fund’s unit price will generally fall after each distribution to reflect the distributions. The distribution amount will vary between distribution periods and is not guaranteed. There may be circumstances when a distribution is not made by the Fund and circumstances when a special distribution is made outside of the usual distribution periods.

The distributions you receive are generally assessable income made up of income and capital gains generated by the Fund. We generally calculate the distribution based on the Fund’s net income referable to the Fund, or the class, as relevant, at the distribution date divided by the number of units of the Fund, or the class, on issue. The amount you receive for each distribution will depend on the number of units you hold in the Fund, or the class, at the end of the distribution period.

You can choose to have your distributions:

- automatically re-invested in which case the additional units will be issued using the unit price applicable immediately after the distribution. There is no buy/sell spread with reinvestment of distributions; or
- directly credited to your nominated Australian Bank Account.

Distributions will be reinvested unless you instruct us otherwise on the Application Form.

The issue of units in respect of a reinvested distribution will be at the distribution unit price on the last Business Day of the distribution period.

**3. Benefits of investing in the Swell Global Fund**

**Significant features**

The Fund offers investors the opportunity to invest in a concentrated portfolio of quality global equities listed in developed markets including Australia. Swell’s investment approach for the Fund is to identify exceptionally managed companies with clear strategies for creating long term value. Priority is given to the preservation of capital, placing greater emphasis on preventing losses than generating higher returns. Swell considers benefits to investors come from its competitive advantages, which are:

- concentrated quality;
- capital preservation through risk control;
- alignment of interest with investors;
- rational unbiased analysis; and
- long term orientation.

The Investment Manager’s fundamental investment process collates and analyses publicly available information to draw insights into the companies in which it invests. Swell uses its own proprietary research to constantly test its investment thesis on each company in the Fund. This aims to unearth deep insights into each company and the sector in which it operates allowing the Fund to capitalise on long term price inefficiencies.

**Significant benefits**

Benefits of investing in the Fund include:

<b>Access to investment opportunities</b>	The Fund provides investors with access to a diverse range of global companies in sectors not easily accessible to individual retail investors
<b>Professional management</b>	Swell’s dedicated investment team has a track record of delivering strong risk adjusted returns
<b>Risk management framework</b>	Swell incorporates risk management at every stage of its disciplined investment process

**4. Risks of managed investment schemes**

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

Although the Investment Manager aims to manage the Fund to generate positive long term returns, it is important you carefully consider the risks of investing in the Fund to understand:

- the value of your investment will vary;

- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, and you may lose some or all of your money; and
- laws affecting registered managed investment schemes may change in the future.

**WARNING:** The appropriate level of risk for you will depend on a range of factors including your investment goals, your age, your investment time frame, where other parts of your wealth are invested and your level of risk tolerance.

The significant risks for the Fund include but are not limited to:

- **Asset risk** – Asset risk is the risk a particular asset or asset class in which the Fund invests may fall in value, which may have an impact on the value of the Fund.
- **Company specific risk** – The value of the investment in a company may vary because of changes to management, changes to its financial or operating circumstances, actions of regulators or competitors or changes to the market environment in which the company operates. These factors may cause a company’s share price to perform differently from the broader market. The Fund may therefore underperform the market and/or its peers due to its company specific exposures. The Investment Manager aims to reduce these risks by conducting thorough analysis and research of the Fund’s investments.
- **Concentration / Diversification risk** – The Fund will hold a concentrated portfolio of 10-20 securities which may result in the Fund’s returns being dependent on the returns of individual companies. This has the potential to increase the gains or losses and volatility of returns for investors. It may also result in the Fund’s returns differing significantly from those of its benchmark. Further, the Fund may invest in industries, sectors or countries which may be subject to greater volatility.
- **Credit risk** – Any change in the market perception of the credit worthiness of a security or the credit rating of the issues of the security may adversely affect the security’s value.
- **Currency risk** – The Fund will predominantly be investing in international equities, and as such, the assets of the Fund will be denominated in a variety of foreign currencies, and the exchange rates of those currencies compared to each other and the Australian dollar may change over time. Any changes to exchange rates will therefore affect the Fund when its assets are valued in Australian dollars. For example, a change in the value of the Australian dollar relative to other currencies may negatively impact the value of an investment in the Fund. The Fund does not manage foreign currency exposure relative to the Australian dollar.
- **Cyber security risk** – There is a risk the information technology systems used by us and our service providers when managing and operating the Fund may expose the Fund to potential cyber security breaches including but not limited to unauthorised access to and/or erroneous use of proprietary information, unit holder’s personal information or Fund data.
- **Fund risk** – Risks particular to the Fund include the risk it could be terminated, the fees and expenses could change, the Responsible Entity could be replaced, Swell could be replaced as Investment Manager and/or its portfolio managers could change. There is also a risk investing in the Fund may give different results from holding the underlying assets because of income or capital gains accrued in the Fund at the time of investing and the consequences of investment and withdrawal by other investors. You could receive back less than you invested and there is no guarantee you will receive any income. The Responsible Entity aims to keep Fund risk to a minimum by monitoring how these risks may impact on the Fund and by acting in the unit holders’ best interests.
- **Interest rate risk** – Changes in interest rates can have a positive or negative impact directly or indirectly on investment values or returns.
- **International investments risk** – Investing in international securities poses additional risks. The performance of international securities can be adversely affected by different political, regulatory and economic environments. Fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. In addition, while the Fund invests in global equities listed in developed markets, these companies may also operate in emerging markets which are typically more volatile than developed markets. Potentially adverse political,

economic, legal and tax, or social conditions in those markets may affect Fund investment returns.

- **Investment Manager risk** – The success of the Fund depends on the competency of the Investment Manager and its ability to identify investment opportunities which achieve the Fund’s investment objective. Like any fund, this is dependent on the skills of the Investment Manager’s personnel, the quantitative analysis and research activities undertaken by the Investment Manager and on historical relationships between stocks acting in a manner which is consistent with the Investment Manager’s analysis over time. If the Investment Manager does not exercise an adequate level of skill, including in the interpretation of data, the investment process is flawed or inaccurate or any of the historical relationships on which the strategy is based break down, then this may cause losses to the Fund. There is an additional risk the investment style may not prove to be effective.
- **Key person risk** – The loss of key personnel from the Investment Manager of the Fund may adversely affect the Fund’s performance.
- **Pandemic risk** – On 30 January 2020 the World Health Organisation declared a global emergency and pandemic with respect to a strain of the coronavirus which is the cause of the Covid-19 virus following its emergence in Wuhan, China and its subsequent global spread. Travel between most countries is largely suspended and the timing of any resumption of large scale international travel is unknown. To combat the continued spread of Covid-19 many national governments have instituted social distancing measures which have and continue to cause widespread disruption to business and economic operations. The continued spread of, or inability to combat, Covid-19 may have significant adverse impact to the global economy which may impact the Fund. The future of any economic impact caused directly or indirectly by Covid-19 is uncertain and may, among other things, affect the ability of borrowers to repay debts. The Fund’s returns and its ability to pay redemptions may be negatively impacted by the spread or the inability to definitively combat Covid-19.
- **Force majeure events** – Events, including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes may adversely affect the normal operations of the Investment Manager or investments.
- **Liquidity risk** – Liquidity risk is the risk that due to abnormal or extreme market conditions it may be difficult to sell an asset quickly without adversely impacting the price received. The Fund invests in securities listed on stock exchanges in various countries, and if there is an interruption of regular trading in a market or for a particular asset of the Fund, there may be delays in processing withdrawal requests. Similarly, for some securities in the Fund where the volume of trading is low, the ability to liquidate those securities in a timely manner may be impacted or the Fund itself may become illiquid. This could have a detrimental effect on the value of the investments, or may impact an investor’s ability to withdraw from the Fund. The Responsible Entity will closely monitor cash levels in the Fund to manage this risk and ensure there is adequate liquidity to meet the needs of unit holders in ordinary circumstances.
- **Market risk** – Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates and exchange rates can directly or indirectly create an environment that may influence (negatively or positively) the value of your investments.
- **Operational risk** – The Fund’s day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters.
- **Regulatory risk** – Regulatory risk is the risk a change in government policies, laws and regulations (including taxation), changes imposed on the Fund by the Australian Taxation Office (including member challenges), or changes in generally accepted accounting policies or valuation methods may adversely affect the value of an investment in the Fund or its underlying assets.
- **Service provider risk** – The risk third party service providers engaged by the Responsible Entity to provide certain services to the Fund including for example, administration, custody and valuation services, do not properly perform their obligations and duties and cause harm to the Fund.
- **Time horizon risk** – There is no assurance that in any time period, particularly in the short term, the Fund will achieve its investment objectives. Many of the underlying assets may be volatile particularly over the short term. The Fund is suitable for long term investors, minimum 5-7 years and is not designed for short term investment.

## 5. How we invest your money

You should consider the likely investment return, risk and your investment time frame when choosing to invest in the Fund.

### Swell Global Fund

<b>Fund description</b>	The Fund invests in a concentrated portfolio of global securities considered by the Investment Manager to be of high quality. Swell believes market efficiency declines as the investment horizon lengthens and therefore a company’s price and value are not always aligned. Swell employs fundamental proprietary research to identify investment opportunities that meet its criteria. The companies selected for the portfolio must demonstrate strong competitive advantages, honest and able management, conservative balance sheets and must be acquired at a discount to their conservatively estimated intrinsic value. The Investment Manager does not Short Sell, use Derivatives and Options or borrow to deliver Fund performance.		
<b>Investment return objective</b>	To achieve an absolute return of 9% on an annual basis, net of fees and costs, over rolling three year periods. This is a target only and the Fund may not be successful in achieving the investment return objective.		
<b>Suggested minimum investment period</b>	5 to 7 years		
<b>Risk level</b>	High		
	The Fund adopts a long term orientation to each investment accordingly investors must be comfortable with volatility and with the high risk of negative returns over the short term. See section 4 “Risks of Managed Investment Schemes” for further information.		
<b>Portfolio allocation</b>	The Fund’s assets are typically invested within the following asset allocation ranges:		
	<b>Asset</b>	<b>Minimum exposure</b>	<b>Maximum exposure</b>
	Global listed securities	75%	100%
	Cash and equivalents	0%	25%
	The Investment Manager actively adjusts the investment mix within the ranges above. These ranges are target allocations only and actual portfolio weights may differ from these from time to time. The figures above represent gross exposures and as such are not intended to sum to 100%. The investment mix can change within the ranges significantly and sometimes quickly.		

**Currency exposure**

The Fund is denominated in Australian dollars (**AUD**) and is unhedged. This means the Fund may experience volatility due to fluctuations in the value of the Australian dollar against other currencies.

**Labour standards or environmental, social or ethical considerations**

The Investment Manager’s investment process takes into account issues relating to social, environmental and corporate governance principles when selecting, retaining and realising investments of the Fund. The Fund may at times be invested in a company that fails to meet ESG principles. In the event this occurs the Investment Manager seeks to actively engage the company management to influence its thinking regarding these matters. In instances where the Investment Manager considers a company demonstrates deliberate disregard for ESG principles, it may choose to avoid or divest the investment.

**Fund performance**

For up-to-date information on the performance of the Fund, please visit [www.swellasset.com.au](http://www.swellasset.com.au). Due to the historical nature of performance information and the volatility of returns, past returns are not a reliable indicator of future returns.

Changes to Fund details

We reserve the right to close or terminate the Fund and to change the Fund’s investment return objective, benchmark, asset allocation ranges and currency strategy, without prior notice in some instances. We will inform you of any material changes to the Fund’s details in the next regular Fund communication or as otherwise required by law. Information in this PDS that is not materially adverse to investors may be updated by us and will be available on Swell’s website [www.swellasset.com.au](http://www.swellasset.com.au). A paper copy of any updates will be provided free of charge on request.

You should read the important information about ‘How we invest your money’, ‘Permitted investments’, ‘Borrowing’, ‘Risk management and monitoring’, ‘Currency management’ and ‘Labour, environmental, social and ethical considerations’ before making a decision. Go to Section 5 ‘How we invest your money’ of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

6. Fees and costs

**Did you know?**

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

**To find out more**

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

Fees and costs summary

The following information shows fees and other costs you may be charged for investing in the Fund and can be used to compare costs between different simple managed investment schemes. These fees and costs may be paid directly from your account or deducted from investment returns. If you are investing in the Fund via an IDPS operator, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

Type of fee or cost	How and when paid
<b>Ongoing annual fees and costs<sup>2</sup></b>	
<b>Management fees and costs<sup>1,3</sup></b> The fees and costs of managing your investment	1. The Management Fee is calculated and accrued daily in the unit price of units in the Fund and is paid monthly in arrears within 30 days of the end of each month. 2. Indirect costs are generally borne by the Manager as and when incurred. 3. Expense recoveries are generally borne by the Manager as and when incurred.
<b>Performance fees<sup>4</sup></b> Amounts deducted from your investment in relation to the performance of the product	The Performance Fee is calculated as 15% of the Unit Return exceeding the Hurdle over each Calculation Period . The Performance Fee is also subject to the ‘High Water Mark’ being the higher of the issue price of the unit and the relevant Net Unit Value (after all fees are accrued or paid) as at the end of the last period (if any) where a Performance Fee was payable in respect of that unit. The Performance Fee is borne by the Fund and is calculated and accrued daily and payable after the last Business Day of each Calculation Period.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	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 deducted from the assets of the Fund as and when incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>	
<b>Establishment fees</b> The fee to open your investment	Not applicable
<b>Contribution fee<sup>1</sup></b> The fee on each amount contributed to your investment	Not applicable

Type of fee or cost	How and when paid
<b>Buy-sell spread</b> An amount deducted from your investment for costs incurred in transactions by the scheme	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal
<b>Withdrawal fee<sup>1</sup></b> The fee on each amount you take out of your investment	
<b>Exit fee<sup>1</sup></b> The fee to close your investment	Not applicable
<b>Switching fee</b> The fee for changing investment options	Not applicable

- Further information on Management Fees, estimated expense recoveries and indirect costs are contained in the section 'Management Costs' in the Reference Booklet to the Product Disclosure Statement, which forms part of this PDS. All fees and costs set out in this section are inclusive of GST and any applicable stamp duty, less any applicable input tax credits and reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
  - All estimates of fees in this section are based on information available as at the date of this PDS. As the Fund is newly established, these figures reflect the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current Financial Year (adjusted to reflect a 12 month period). Please refer to 'Additional explanation of fees and costs' in the Reference Booklet to the Product Disclosure Statement for more information on costs that may be payable.
  - The amount of this fee can be negotiated if you are a wholesale client under the Corporations Act. Please refer to 'Differential fees' on page 7 of the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au).
  - As the Fund is newly established, the Performance Fee reflects the Responsible Entity's reasonable estimate at the date of this PDS of the Performance Fee that will apply for the current Financial Year (adjusted to reflect a 12 month period) and has been calculated based on the five year average historical performance of the Swell Global Portfolio, a managed portfolio with the same investment mandate and process.
- A Performance Fee is not always payable. Past performance is not a reliable indicator of future performance. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period. See 'Performance Fee' in the 'Additional explanation of fees and costs' section in the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for more details.
- The Transaction Costs disclosed in this section are shown net of any recovery received by the Fund from a buy-sell spread charged to transacting unitholders. As the Fund is newly established, this figure reflects the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current Financial Year (adjusted to reflect a 12 month period). Please refer to the 'Additional explanation of fees and costs' section in the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for further details.
  - As at the date of this PDS, the buy-sell spread is 0.30% on applications and 0.30% on withdrawals. In estimating the buy-sell spread, the Responsible Entity has assumed the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. Please refer to the 'Additional explanation of fees and costs' section in the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for further details.

### Example of annual fees and costs for the Fund

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

Example – Swell Global Fund	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1,5</sup>
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs <sup>2,3</sup>	1.25% p.a.	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investments \$625 each year.
<b>PLUS</b> Performance fees <sup>4</sup>	1.17% p.a.	<b>And</b> , you will be charged or have deducted from your investments \$585 in performance fees each year.
Example – Swell Global Fund	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1,5</sup>
<b>PLUS</b> Transaction costs <sup>2</sup>	0.10% p.a.	<b>And</b> , you will be charged or have deducted from your investments \$50.00 in Transaction Costs.
<b>EQUALS</b> Cost of Fund	2.52% p.a.	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$1,260 <sup>5</sup> <b>What it costs you will depend on the fees you negotiate.</b>

- The additional Management Fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. The example is prescribed by the Corporations Act and assumes the investment amount does not rise or fall in value and remains invested for the entire year and the \$5,000 contribution occurs at the end of the first year, so the Management Fees and costs are calculated using the \$50,000 balance only. In practice, an investor's actual investment amount will vary daily and the actual fees and costs we charge are based on the value of the Fund which also fluctuates daily.
- All estimates of fees in this section are based on information available as at the date of this PDS. As the Fund is newly established, these figures reflect the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current Financial Year (adjusted to reflect a 12 month period). Please refer to 'Additional explanation of fees and costs' in the Reference Booklet for the Product

Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for more information on costs that may be payable.

3. The amount of the Management Fee can be negotiated if you are a wholesale client under the Corporations Act. Please refer to 'Differential fees' on page 7 of the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au).
4. As the Fund is newly established, the Performance Fee reflects the Responsible Entity's reasonable estimate at the date of this PDS of the Performance Fee that will apply for the current Financial Year (adjusted to reflect a 12 month period) and has been calculated based on the five year average historical performance of the Swell Global Portfolio, a managed portfolio with the same investment mandate and process. A Performance Fee is not always payable. Past performance is not a reliable indicator of future performance. The actual Performance Fee payable (if any) will depend on the performance of the Fund over the relevant period. See 'Performance Fee' in the 'Additional explanation of fees and costs' section in the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for more details.
5. Additional fees may apply. If you are an indirect investor, additional fees may be charged by your financial adviser or Service operator (as applicable) for investing in the Fund. A buy-sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in the Reference Booklet to the Product Disclosure Statement available at [www.swellasset.com.au](http://www.swellasset.com.au) for further details.

**Estimated and/or historical fees and costs may not be an accurate indicator of the fees and costs you may pay in the future.**

#### Additional explanation of fees and costs

##### Advice fees

**WARNING:** Additional fees and costs may also be paid to a financial adviser if a financial adviser is consulted. The details of these fees and costs should be set out in the statement of advice provided by your adviser if you are a retail client.

##### ASIC fee calculator

The managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

##### Fee changes

We may elect to change the fees and costs outlined in this section (e.g. due to changes in economic conditions and size of the Fund) without investor consent. We will provide you at least 30 days written notice of any proposed increase in these or other fees.

##### Tax

For information in relation to tax, please see section 7 of this Product Disclosure Statement.

You should read the important information about '**Fees and costs**' before making a decision. Go to Section 6 'Fees and costs' of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time when you read this PDS and the day when you acquire the product.

## 7. How managed investment schemes are taxed

### WARNING:

Investing in managed funds is likely to have tax consequences. Before investing in the Fund, you are strongly advised to seek professional tax advice that takes account of your particular circumstances. Managed funds generally distribute or attribute all of their income each year, so the fund is not subject to tax. Managed funds do not generally pay the tax liability on behalf of Australian resident investors. As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Fund. In normal circumstances, you should allow for some income and/or capital gains to be generated each year.

You should read the important information about 'How managed investment schemes are taxed' before making a decision. Go to Section 7 '**How managed investment schemes are taxed**' of the Reference Booklet at [www.swellasset.com.au](http://www.swellasset.com.au). The material relating to these matters may change between the time you read this PDS and the day when you acquire the product.

## 8. How to apply

1. Read this PDS together with the Reference Booklet available from [www.swellasset.com.au](http://www.swellasset.com.au).
2. If you are a direct investor complete all sections of the Application Form available from [www.swellasset.com.au](http://www.swellasset.com.au) or by calling us on 1300 133 451. Information about how to complete the Application Form, and payment details and methods are available with the Application Form.  
If you are an indirect investor, you must complete the documentation your IDPS operator requires.
3. As part of the application process we are required by law to verify your identity before accepting your application. Please refer to the AntiMoney Laundering and Counter Terrorism Act information included with your Application Form.
4. To comply with the FATCA and CRS requirements, we will collect additional information from you and will disclose such information to the Australian Taxation Office. This information may be shared with revenue authorities in other jurisdictions under the various exchange of information agreements Australia has entered into with other jurisdictions. For more information on FATCA and CRS refer to 'How managed investment schemes are taxed' in the Reference Booklet.
5. Return your completed and signed Application Form and the other documents requested to us with your cheque marked 'not negotiable' and made payable to '**Swell Global Fund – Name of Applicant**'.
6. If paying by EFT please indicate your name (or part of your name) in the EFT description and deposit the application money to the following account:

Account Name: **Swell Global Fund Application Account**  
 BSB: **082 401**  
 Account Number: **88 651 8756**  
 National Australia Bank  
 500 Bourke Street  
 Melbourne Vic 3000  
 SWIFT code: NATAAU3303M

We accept no responsibility for withdrawal requests that have been sent to an incorrect address or fax number. You are responsible for ensuring you use the correct contact details and accept that if you use incorrect address details your withdrawal request may be delayed or not processed.

### Cooling off period

If you are a Retail Client (as defined in the Corporations Act) a 14 day cooling off period applies, during which you may change your mind about investing in the Fund and request your application money be returned. The 14 day cooling off period commences on the earlier of:

- Confirmation of the application received; or
- The fifth day after the day when the Units were issued.

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 \$10,000 and the value of the units falls by 1% between the time you invest and the time we receive notification you wish to withdraw your investment, we may charge you on account of the reduced unit value and you would incur a buy spread of +0.30% and a sell spread of -0.30%. This means \$9,840.69 would be transferred from the Fund back to you.

Cooling off rights do not apply to Wholesale Clients or where Units are issued to investors as a result of distribution reinvestments. Further, if you are investing indirectly through an IDPS service, no cooling off rights apply in respect of any investment in the Fund acquired by your Service operator on your behalf. For information about any cooling off rights that may apply to you in respect of the Service through which you invest, please contact your Service operator directly or refer to their offer document.

## Complaints resolution

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity or the Investment Manager during business hours, using the contact details provided on the first page of this PDS.

The Responsible Entity will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case no later than 45 days after receipt of the complaint for standard complaints. For complaints we receive on or after 5 October 2021, we will address your complaint within 30 days of receiving the complaint, for standard complaints. Other types of complaints and complex complaints may have a different maximum timeframe for responding. We will notify you if a different maximum timeframe will apply to your complaint.

If an investor is not satisfied with the outcome or the complaint has not been resolved within the maximum timeframe for responding, the complaint can be referred to the Australian Financial Complaints Authority (“AFCA”), an external complaints resolution scheme of which the Responsible Entity and the Investment Manager are members. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

AFCA’s postal address is:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678

More information about AFCA is available from its website <https://www.afca.org.au/>. AFCA is only available for retail clients.

All investors regardless of whether holding units in the Fund directly or indirectly via a platform can access the Responsible Entity’s complaints procedures outlined above. If you are investing via an IDPS service and your complaint concerns the operation of the IDPS service then you should contact the IDPS service operator directly.

## 9. Other information

### Additional disclosure information

The Fund has certain regular reporting and continuous disclosure obligations pursuant to the Corporations Act. All continuous disclosure notices are available on Swell’s website at [www.swellasset.com.au](http://www.swellasset.com.au).

Copies of the following documents can also be obtained free of charge from us, upon request:

- the Fund’s most recently lodged Annual Report;
- any Half Year Report lodged with ASIC after the lodgement of the latest Annual Report and before the date of this PDS;
- any continuous disclosure notices given by the Fund after lodgement of the latest Annual Report and before the date of this PDS; and
- our Unit Pricing Policy.

Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office.

### Related party transactions and conflicts of interests

We may appoint any of our related entities to provide services or perform functions in relation to the Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm’s length.

The Investment Manager may be the investment manager of other funds not described in this PDS. Perpetual has established internal policies and procedures to ensure any conflicts of interest arising in relation to the Fund are adequately identified and appropriately managed. Any conflicts of interest that may arise will be dealt with fairly and reasonably and in accordance with the law and ASIC policy. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid any conflict.

## Terms used in this PDS

**Bank Account** means an account with an Australian Authorised Approved Deposit Taking Institution (which includes a building society and credit union).

**Benchmark** means the ‘[AUD] MSCI World Net Total Return Index’ or, if the ‘[AUD] MSCI World Net Total Return Index’ ceases to exist or is no longer appropriate in light of the investment strategy of the Fund, such other benchmark as the Responsible Entity considers appropriate from time to time.

**Business Day** means a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

**Calculation Period** means, in respect of the calculation of the Performance Fee, each day or such other period as the Responsible Entity may determine to calculate the Performance Fee in accordance with the Constitution.

**Derivatives** means financial securities with a value that is reliant on or derived from an underlying asset or group of assets.

**Financial Year** means each 12 month period ending on 30 June and the shorter periods ending on the first 30 June after the commencement of the Fund or commencing on a 1 July and ending on the date of termination of the Fund.

**Fund** means the Swell Global Fund ARSN 649 827 921.

**Hurdle** means an amount equal to the return of the Benchmark (pro rated in respect of the relevant Calculation Period) multiplied by:

- (a) in respect of the first Calculation Period, the issue price of the relevant unit; and
- (b) in all other cases the Net Unit Value as at 1 July of the Financial Year in which the Calculation Period occurs.

**Management Fee** means the management fee payable to the Investment Manager by the Responsible Entity for providing investment management services to the Fund.

**Net Asset Value** means value of the assets of the Fund less the liabilities of the Fund excluding application money in respect of applications for units that have not been accepted by the Responsible Entity.

**Net Unit Value** means, in respect of a unit in a class or series the Net Asset Value divided by the number of units in that class or series.

**Options** means financial derivatives that give the buyer the right to buy or sell the underlying asset at a stated price within a specified period.

**Performance Fee** means the amount paid or payable to the Investment Manager calculated by reference to the performance of each Unit.

**Perpetual** means Perpetual Limited and its affiliates.

**Reference Booklet** means the document of that name which can be obtained from [www.swellasset.com.au](http://www.swellasset.com.au) which forms part of this PDS.

**Responsible Entity** means The Trust Company (RE Services) Limited ABN 45 003 278 831.

**Responsible Entity Fee** means the fee payable to the Responsible Entity from time to time for managing the Fund.

**Short Sell** means the act of selling an asset you do not currently own, in the hope it will decrease in value, and you can close the trade with a profit.

**Transaction Costs** means in respect of an application or withdrawal of units, an amount (which may be calculated as a percentage of the value of the assets of the Fund, calculated and fixed by the Responsible Entity from time to time to represent the Responsible Entity’s estimate of the total costs that would be incurred to buy or sell (as applicable) the entire investments of the Fund on that date, provided that subject to the Corporations Act the Responsible Entity may in connection with any particular application or request for withdrawal of units deem these costs to be a lesser sum or zero.

**Unit Return** means on a date, in respect of a Unit, an amount equal to the change in the Net Unit Value of a Unit; plus any distributions paid or payable to unit holders of that series, since the last time a Performance Fee was payable or in the case of the first Calculation Period or for a Unit issued during a Calculation Period, since the issue of the Unit.