

GLOBAL FUND PDS UPDATE

Dear Investor,

We are writing to notify you of an important change to our Product Disclosure Statement (PDS) with regards to our ability to utilise cash within the portfolio. Our current PDS restricts cash to 0-20% of the portfolio, with the ability for the manager to move beyond that range for risk management purposes or to fund intended distributions or potential redemptions. In short, we are relaxing this range, bringing back greater flexibility through reverting to 0-100% equities and 0-100% cash. Basically, being able to hold any level of cash when we believe it prudent from a risk management perspective or where we are unable to identify and hold appropriate companies at prices that meet our time-tested, strict value criteria. The amended PDS is available at our website at www.petersmacgregor.com or by clicking [here](#).

Long-term investors will recall we historically operated with this very broad mandate but in recent years tightened the cash band to 0-20% to better reflect our recent experience in markets of having ample opportunities in which to invest.

The past year has been exceedingly challenging in markets, as you'll appreciate, with uncertainty and volatility rising. In addition to an increasingly precarious broad macro environment, investors must contend with a disruptive landscape for many businesses, and corporate balance sheets that have ballooned with debt.

We've recently taken the decision to materially increase cash in the portfolio for risk management purposes. Over time, we expect to be mostly invested, most of the time. But as we have learned in our decades of experience in managing through multiple market cycles, the key to earning respectable returns through the full cycle is protecting and preserving capital during the major downdrafts.

In order to manage risk within this present market environment, we have moved outside of our 0% – 20% target cash range. This will provide us with the opportunity to redeploy into great companies with great management at attractive prices before too long. At this time we feel it prudent and appropriate to amend our PDS to provide ultimate flexibility.

While this change gives us greater flexibility in terms of cash, we note that there are no changes to the core investment philosophy, strategy or process of seeking to identify and own a diverse portfolio of high-quality businesses with great management teams at attractive prices. The nature of

the market environment in terms of the combination of the economic risks, a greater rate of change in the fortunes for individual companies, corporate balance sheets that are stretched, and the 'starting' valuations of today – in our view – will really play to a strict value-oriented investment philosophy in the years ahead. Being able to rotate in and out of appropriately / inappropriately priced companies – without being unduly concerned about holding excess cash for periods of time in between – will likely be a key differentiator that helps generate strong outperformance over the long term.

Please contact us on (02) 9332 2133 or email service@petersmacgregor.com to address any questions or concerns you may have.

Thank you for your continued trust and we wish you a safe and happy festive season.

Yours sincerely,

L Wayne Peters

Michael Haddad

Chief Investment Officer

Portfolio Manager