Peters MacGregor Capital Management Limited
ABN 77 087 181 600

Unit Pricing policy
30 June 2016

Unit pricing policy

1.0 Background

Peters MacGregor Capital Management Limited (Peters MacGregor) ABN 77 087 181 600 holds Australian Financial Services (AFS) licence number 225984, which allows it to act as the responsible entity for managed investment schemes which hold financial assets. At the date of this policy, Peters MacGregor is the responsible entity for one managed investment scheme (Fund). Fund

This policy sets out the processes by which Peters MacGregor exercises its discretion in respect of certain aspects of the operation of the Fund. The policy is effective from the date it is dated and signed.

The purpose of this policy is to set out how Peters MacGregor will exercise its discretion in the calculation of issue prices and withdrawal prices of units in the Fund and to ensure the formula or method used is reviewed at appropriate periods.

This policy must not involve the creation of another discretion, and be the only policy applicable to the exercise of a discretion at any one time.

2.0 Discretion framework

2.1 Exercise of discretion

(a) The exercise of discretion under this policy can only be authorised by Peters MacGregor or a person nominated by Peters MacGregor.
(b) Peters MacGregor (or its nominee) must act reasonably in exercising any discretion.

(c) Peters MacGregor has based this policy on ordinary commercial practice and therefore considers that it is reasonable to exercise the discretions documented in this policy in accordance with this policy.

2.2 Discretion outside this policy

When Peters MacGregor exercises a discretion:
(a) which is not outlined in this documented policy at the time of exercise; or
(b) in a way that involves a departure from this documented policy relating to the discretion that is current at the time of exercise, Peters MacGregor requires a document be prepared (refer to Schedule 2) which sets out:
    i. the date on which the discretion is exercised;
    ii. who is exercising the discretion;
    iii. how the discretion is exercised;
    iv. an explanation of why it was reasonable to exercise the discretion the way it was exercised;
    v. without limiting paragraph (iv), if the discretion is not exercised in a way which is consistent with scheme property being valued, or the market price of interests being worked out, in accordance with ordinary commercial practice, an explanation why it is impracticable to do so.

2.3 Keeping Records

Peters MacGregor must ensure that the records which it keeps are kept in such a way as will enable the identification of:
(a) any documented policy that was applied in the exercise of the discretion; and
(b) any exercise of a discretion outside of this policy, that relates to any act of discretion.

Peters MacGregor must:
(a) retain all discretion policy documents for 7 years after they cease to be current; and
(b) inform all members that they may obtain copies of the discretion policy documents from Peters MacGregor at no charge; and
(c) give a copy of discretion policy documents to the following persons on request at no charge:

i. a member of the Fund;
ii. a person who has been or should have been given, or who has obtained, the product disclosure statement for an interest in the Fund.

2.4 Review

The Managing Director must review this policy on an ongoing basis and suggest any modifications to this policy considered necessary.

3.0 Processes subject to discretion Policy

3.1 Unit Pricing

The constitution for the Fund provides that the initial issue price of units (on achieving the minimum subscription) will be $1.00 per unit. The initial issue price of $1.00 per unit will apply until the second valuation date from the date on which minimum subscription is achieved.

At all other times, the issue price for units in the Fund will be calculated as follows, subject to Peters MacGregor determining another unit price in accordance with paragraph 3.3, 3.4, 3.5 or 3.6 of this policy or as otherwise permitted under the Act:

1. The issue price will be calculated as at the close of each business day, although Peters MacGregor may calculate issue prices on other business days or even more than once for a particular business day.

2. For the Fund, the issue price of a unit will be calculated in accordance with the following formula:

$$\text{Issue price} = \frac{\text{net asset value}}{\text{number of units in issue}} + \text{transaction costs}$$

For the Fund, the withdrawal price of a unit will be calculated in accordance with the following formula:

$$\text{Withdrawal price} = \frac{\text{net asset value}}{\text{number of units in issue}} - \text{transaction costs}$$

The **net assets of the Fund** are calculated by subtracting from the assets of the Fund (which includes all investments and other assets of the Fund) all liabilities of the Fund (which includes all charges, expenses, contingent liabilities, provisions for the cost of acquiring assets and unpaid distributions, but excludes any amounts subscribed by investors for units which might be considered liabilities under relevant accounting standards).

Both the issue price and the withdrawal price will be adjusted by a factor representing **transaction costs** to acquire or sell investments as a result of applications and withdrawals by Investors. These costs, which affect unit pricing, are often referred to as a buy/sell spread.

3.2 Unit pricing- Timing

Under the Fund's constitution, Peters MacGregor can determine the valuation date, which is the date on which the net asset value is determined.

As outlined in the product disclosure statement, Peters MacGregor may elect to calculate unit prices at a frequency at its discretion, including more than once on a particular day. However, unit prices will generally be determined at the end of each business day and the end of each month.

The administration of the Fund therefore follows a daily cycle. Application forms and withdrawal requests received and accepted by midday EST on each business day and will be processed at the issue price or withdrawal price at the close of business on the most recent valuation date. Application forms or withdrawal requests received and accepted after this time will be processed at the issue price applicable on the next valuation date.

Discretion
Peters MacGregor therefore has discretion as to the frequency at which to calculate unit prices. Where Peters MacGregor exercises its discretion to calculate unit prices other than as disclosed in the most recent product disclosure statement, which at the date of this policy is the end of each business day and the end of each month, or as subsequently advised to Investors in accordance with the most recent product disclosure statement, the Managing Director must sign off on a document authorising the use of discretion to determine another valuation date in accordance with 2.1 above.

It is reasonable for Peters MacGregor to exercise its discretion where it believes any unitholders may be disadvantaged by calculating unit prices at the stated frequency of at the end of each business day and the end of each month. This may occur where there are abnormal market movements which would warrant more frequent calculation of unit prices.

3.3 Unit pricing- rights issue

(a) Under the Fund's constitution, Peters MacGregor may set the price for units at a price other than a price determined under the constitution where all of the following apply:

(i) Offers are made to unitholders who are on the register on a date not more than 20 business days before the date of the offer, and the number of units offered to each unitholder is in proportion to the value of each unitholder's interest in the Fund. However, units offered to, but not acquired by unitholders, may be issued to other persons.

(ii) Offers are made to all unitholders except foreign unitholders Peters MacGregor excludes.

(iii) All the units offered are in the same class.

(iv) The price of all the units offered is the same.

(v) If options over units are the subject of the offer, then both—

A. the exercise price of all options is the same, and

B. the means of working out the exercise price is set out in the terms of issue of the option.

(vi) The amount by which the price of a unit (other than an option for the issue of a unit) and the exercise price of an option is less than the amount that would otherwise apply does not exceed 10 percent.

(vii) Peters MacGregor offers the units or options to unitholders at substantially the same time.

(viii) Peters MacGregor only issues units or options to its associates as unitholders in the Trust.

(b) However, Peters MacGregor may elect not to make an offer to a foreign unitholder under this clause if Peters MacGregor—

(i) (in circumstances where the Fund is included in the official list of the financial market operated by the ASX) complies with the requirements of listing rule 7.7 of the ASX as at 1 January 2005 concerning the treatment of unitholders with a registered address outside Australia and New Zealand that are applicable to the relevant offer and issue of units

(ii) (where the Fund is not included in the official list of the financial market of the ASX and the offer is renounceable) appoints a nominee to sell the rights to acquire the units that would otherwise have been offered to the foreign unitholders and distribute to each foreign unitholder their proportion of the proceeds of the sale net of expenses, or

(iii) (in any other case) determines that it would be unreasonable to make the offer to the foreign unitholder having regard to the following:

A. The number of unitholders in the place (the relevant place) where the registered address of the unitholder is situated.

B. The number and value of the units that may issued to unitholders in the relevant place.

C. The cost of complying with legal requirements and the requirements of any regulatory authority applicable to making the offer in the relevant place.

3.4 Unit pricing- distribution reinvestment

(a) Subject to the Act and any conditions imposed by the Act, Peters MacGregor may set the application price for units at a price other than a price determined under the constitution where all of the following apply:

  (i) The whole or part of any money payable to a unitholder under this Constitution by way of a distribution of capital or income is applied in payment for the issue of units.

  (ii) Each unitholder (except foreign unitholders) Peters MacGregor excludes may from time to time elect to participate in that arrangement as to the whole, or some proportion, of the distributions which are, or should otherwise be, payable to that unitholder.

  (iii) All the units issued under the arrangement are of the same class.

  (iv) The price of each unit issued pursuant to that arrangement in relation to any particular distribution is the same.

  (v) All units issued under the arrangement in relation to any particular distribution are issued at substantially the same time.

  (vi) The amount by which the price is less than the amount that would otherwise apply does not exceed 10 percent.

(b) However, Peters MacGregor may elect not to make an offer of the kind referred to in this clause to each foreign unitholder at its registered address if it determines that it is unreasonable to make the offer to those unitholders having regard to each of the following:

  (i) The number of unitholders in the place.

  (ii) The number and value of the units that may be issued under the arrangement to unitholders in the place.

  (iii) The cost of complying with legal requirements and the requirements of any relevant regulatory authority applicable to offering the arrangements in the place.

3.5 Unit Pricing - issue of units at an individually negotiated price

Subject to the Act and any conditions imposed by the Act, Peters MacGregor may set the application price for units at a price other than a price determined under the constitution where all of the following apply:

(a) Peters MacGregor and a person who is a wholesale client within the meaning of the Act agree on an issue price that is equal to a price at which units or options over units would be issued under the constitution, in the absence of such a clause less a reduction (a fee reduction) in the fees that are payable to Peters MacGregor for the issue of units or options.

(b) Peters MacGregor has given all unitholders a statement that fees may be individually negotiated with wholesale clients on or before the first date when Peters MacGregor sends communication to all unitholders after a fee reduction is first offered.

(c) Peters MacGregor ensures that if fees may be individually negotiated with wholesale clients, then a statement of that fact is disclosed in any disclosure document used for an offer of units.

(d) The fee reduction does not adversely affect the fees that are paid or to be paid by any other unitholder who does not have the benefit of the fee reduction.

3.6 Unit pricing- Options

Under the Constitution for the Fund and subject to the Act and any conditions imposed by the Act, Peters MacGregor may issue an option and a unit may be issued on exercise of the option at a price determined by Peters MacGregor if the options are issued pursuant to offers made at substantially the same time to only and all the then unitholders in proportion to the value of their unit holding if—

(a) all the options offered are in the same class

(b) the issue and exercise price of all the options offered is the same

(c) the means of calculating the exercise price is set out in the terms of issue of the option, and

(d) the amount by which the exercise price of the option is less than the price that would otherwise apply does not exceed 10 percent on the date of the exercise of the option.

However, if Peters MacGregor reasonably considers that it would be in the best interests of unitholders to exclude unitholders that are connected to a place outside this jurisdiction (foreign Unitholders) and not unfair to those unitholders, then Peters MacGregor need not offer or issue the options to the foreign unitholders if the options are sold, taking reasonable steps to maximise the sale price net of expenses of the sale and the foreign unitholders are properly paid the net sale price.

3.7 Transaction costs

When Investors make new investments in or withdrawals from any of the Fund, the relevant Fund will generally incur costs in buying new investments (when money is added to the Fund) or selling investments (when withdrawals are made). So that existing (or continuing) Investors do not continually bear the transaction costs resulting from new investments or withdrawals, all Investors pay an amount (often called a buy/sell spread) when they acquire units in, or withdraw units from, one of the Fund.

When calculating the issue price of a unit, the transaction costs will represent an allowance (which is independently verifiable) for the total cost of acquiring new investments. When calculating the withdrawal price of a unit, the transaction costs will represent an allowance (which is independently verifiable) for the total cost of selling investments.

Transaction costs will be incorporated into the issue price and the withdrawal price for units in the Fund, with the amount charged for transaction costs being retained within the Fund and used to meet the transaction costs of that Fund, to better ensure all Investors are treated fairly.

Discretion

For the Fund, transaction costs are not fixed. Peters MacGregor expects that each of these Fund's transaction costs will primarily reflect the transaction costs incorporated in the pricing of units in the underlying investment funds and where appropriate, the transaction costs of direct investments in which the Fund invest. In these cases the transaction costs for the Fund is determined on a weighted average basis. Peters MacGregor will determine the investment allocation weighting to various investment assets, which are usually other managed investment schemes. The buy and sell spread for each of these underlying investments is then ascertained and multiplied by the investment allocation weighting the result for each investment is the weighted buy and sell spread.

The weighted buy spread for each investment is then added together to provide a weighted average buy spread. This is the amount used to determine issue price.

The weighted sell spread for each investment is then added together to provide a weighted average sell spread. This is the amount used to determine withdrawal price.

The mechanics of determining the buy/sell spreads is therefore a function of Peters MacGregor's discretion in respect of investment selection and asset allocation weighting.

3.8 Rounding

If any calculation performed under the constitution (such as unit pricing) or the terms of a withdrawal offer results in the issue or redemption of a fraction of one unit, then that fraction may be rounded down or up to four decimal places.

Dollar amounts used to determine net assets of a Fund, or the value of any asset or liability of a Fund will be rounded to two decimal places.

If there is any excess application or other money or property which results from rounding, then it becomes an asset of the Fund.

3.9 Valuation methods and policies

Pursuant to the Fund's constitution, Peters MacGregor may determine the valuation methods and policies it will apply from time to time to each category of Fund asset in determining the value of the net assets of that Fund. Generally, the value of a Fund asset will be the market price of the asset, unless Peters MacGregor considers there is no market for the asset or the market price does not represent the asset's fair value. Determination of market price will depend on the class of asset. For example:

(a) If the Fund invests in assets which are listed on a regulated financial market, the market price will usually be the most recently quoted sale price. However, if Peters MacGregor considers this does not represent an asset's fair value, then Peters MacGregor may, for the purposes of any valuation, determine the price of the asset to be either the volume weighted sale price over the last ten trading days or the mid-point of bid and offer prices on the date of valuation.

(b) If a Fund invests in assets which are not listed, then Peters MacGregor will either (i) where a Fund invests in an unlisted managed investment scheme, determine the market value by reference to valuation information provided by the issuer of the product or asset (for example, the responsible entity of the unlisted managed investment scheme) or (ii) in other cases, treat the market value of the asset to be the acquisition cost. However, if Peters MacGregor considers the market value determined using such valuation information or the acquisition cost does not represent an asset's fair value, then Peters MacGregor may for the purposes of any valuation, determine the market value by reference to valuation information provided by an appropriate independent expert.

In any event, Peters MacGregor may appoint an independent expert where necessary to determine the fair market value of any Fund asset.

Discretion
With respect to investments in assets which are listed on a regulated financial market there is minimal scope for discretion except where Peters MacGregor considers there is no market for the asset or the market price does not represent the asset's fair value and an independent expert is appointed to determine the fair market value.

With regard to investments in assets which are not listed, Peters MacGregor determines the market value by reference to valuation information provided by the issuer of the product (underlying investment manager). How Peters MacGregor determines the market value will depend on the alignment of the underlying investment manager's pricing dates with that of the Peters MacGregor Fund.

Peters MacGregor will usually calculate unit prices as at the close of each business day. Where an underlying investment manager prices on these same dates, then Peters MacGregor will utilise the unit price provided by the underlying investment manager for that same date.

Where an underlying investment manager calculates unit prices on other dates, then Peters MacGregor will utilise the following basis to determine the unit price to be used to value and an asset;

- If the underlying investment manager provides an estimate on the valuation date then Peters MacGregor will utilise that estimate. The estimate by the underlying investment manager may be in the form of a unit price or a percentage movement between valuation dates.

- If the underlying investment manager provides daily pricing, but the pricing is done on a different date then Peters MacGregor will take the two most recent unit prices provided by the underlying investment manager and calculate an adjusted price based on the daily movement between the two most recent unit prices, adjusting to or back to Peters MacGregor's valuation date.

- Where such information is not available Peters MacGregor may apply an annualised total return rate as projected by the underlying investment manager for the relevant valuation period.

3.10 Distributions

Each of the Fund may distribute income, if any, on a annual basis in respect of the annual distribution period ending 30 June.

Income distributions for the Fund are based on the distributable amount per unit determined by Peters MacGregor at the end of the distribution period multiplied by the number of units held on the last day of the distribution period. Peters MacGregor, in accordance with the Fund's constitution, will endeavour to ensure that the total income distributions for a financial year at least equal the taxable income for that financial year (adjustable for "non-cash" taxable income from imputation credits).

Discretion
Other than Peters MacGregor endeavouring to ensure that the total income distributions for a financial year at least equal the taxable income for that financial year, Peters MacGregor has discretion on the distributable amount. Peters MacGregor at the end of each quarter will calculate the taxable income position for the Fund and will consider this along with other factors (such as the nature of the fund and the likelihood of unrealised gains becoming realised) before deciding the distributable amount.

Dated this ____30th_____ day of _____June_____, 2015.

Schedule 1

Dictionary

Act	Means the Corporations Act 2001 (Commonwealth) for the time being in force, together with the regulations made under that Act.
ASX	Means Australian Stock Exchange Limited ABN 98 008 624 691
Fund	Means the Peters MacGregor Global Fund

Schedule 2

Departure Report

DEPARTURE REPORT

Date: #[insert date of report]
Fund: #[fund name]

Person responsible:

Name: #
Position: #
Company: #

Date discretion exercised	How was the discretion exercised?	Why was it reasonable to exercise the discretion the way it was exercised?	If the discretion was not exercised in a way which is consistent with scheme property being valued in accordance with ordinary commercial practice, why was it impracticable to do so?

This form must be completed and handed to the Managing Director as soon as practicable following the date the discretion was exercised.

Checked by Managing Director Signed: _____ Date: ___ / ___ / ___

Managing Director comments

Confirmed by Managing Director Signed: _____ Date: ___ / ___ / ___