

Perpetual Investments

PERPETUAL WHOLESALE FUNDS

1 December 2020



Effective 1 December 2020, we have updated and issued a new Product Disclosure Statement issue number 13 (PDS) for the Wholesale Funds (collectively, the Funds). A summary of the key changes reflected in the PDS are enclosed below.

REDUCTION IN MANAGEMENT FEES

We are pleased to inform several Funds have had a reduction in their management fee, which are outlined below along with the effective date of the change.

FUND NAME	APIR CODE	PREVIOUS MANAGEMENT FEE % PA	NEW MANAGEMENT FEE % PA
FIXED INCOME			
Perpetual Wholesale Active Fixed Interest Fund (effective 1 October 2020)	PER8045AU	0.45%	0.40%
Perpetual Wholesale Diversified Income Fund (effective 1 October 2020)	PER0260AU	0.70%	0.59%
Perpetual Wholesale Dynamic Fixed Income Fund (effective 1 October 2020)	PER0557AU	0.55%	0.45%
Perpetual Ethical SRI Credit Fund (effective 1 October 2020)	PER1744AU	0.70%	0.59%
GLOBAL SHARES			
Perpetual Global Innovation Share Fund (effective 1 December 2020)	PER1547AU	1.25%	0.99%
Perpetual Wholesale Global Share Fund (effective 1 October 2020)	PER0733AU	1.10%	0.99%
DIVERSIFIED - GROWTH			
Perpetual Wholesale Split Growth Fund (effective 1 December 2020)	PER0066AU	1.16%	0.55%

FEES AND COSTS DISCLOSURE

The fees and costs disclosure in the PDS has adopted the new format which all product disclosure statements must comply with by 30 September 2022. These format changes include:

- a renamed “Fees and costs summary” table which distinguishes between “Ongoing annual fees and costs” (now also includes estimated “Transaction costs”) and “Member activity related fees and costs” (now also includes “Buy/sell spread” details as at the date of the PDS)
- a new “Cost of product information” section which provides a dollar-based figure of the ongoing annual fees and costs for each Fund, which are calculated in the same manner shown in the “Example of annual fees and costs”, for easier comparison.

STANDARD RISK MEASURE CHANGES

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare Funds that are expected to deliver a similar number of negative annual returns over any 20 year period¹. The SRM for Funds may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations by the investment manager. Any changes to SRMs at any time will be available at our website, www.perpetual.com.au. For further information, please see the PDS.

Following an annual review, the SRM has changed for the Funds listed below:

FUND NAME	APIR CODE	PREVIOUS SRM	NEW SRM
FIXED INCOME			
Perpetual Wholesale Diversified Income Fund	PER0260AU	5 – Medium to High	6 - High
Perpetual Ethical SRI Credit Fund	PER1744AU	5 – Medium to High	4 - Medium
Perpetual Wholesale High Grade Floating Rate Fund	PER0562AU	1 – Very Low	2 - Low
SHARE INCOME			
Perpetual Wholesale Income Share Fund	PCT0002AU	7 – Very High	6 – High
AUSTRALIAN SHARES			
Perpetual Wholesale Australian Share Fund	PER0049AU	7 – Very High	6 – High
Perpetual Wholesale Concentrated Equity Fund	PER0102AU	7 – Very High	6 – High
Perpetual Wholesale Ethical SRI Fund	PER0116AU	7 – Very High	6 – High
Perpetual Wholesale Industrial Fund	PER0046AU	7 – Very High	6 – High
Perpetual Wholesale Smaller Companies Fund	PER0048AU	7 – Very High	6 – High
Perpetual’s Australian Share Fund (closed)	PER0281AU	7 – Very High	6 – High
GLOBAL SHARES			
Perpetual Global Innovation Share Fund	PER1547AU	7 – Very High	6 – High
DIVERSIFIED – BALANCED			

Perpetual Diversified Real Return Fund - Class W units	PER0556AU	5 – Medium to High	6 - High
Perpetual Diversified Real Return Fund - Class Z units	PER6115AU	5 – Medium to High	6 - High
DIVERSIFIED - GROWTH			
Perpetual Wholesale Split Growth Fund	PER0066AU	7 – Very High	6 - High

SRM Risk Level Table

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further it does not take into account the impact of administration fees on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen Fund(s).

We previously advised of changes to the SRM for several Funds identified above and communicated to investors on 29 June 2020.

ADDITIONAL RISKS

We have inserted additional risks in the significant risks table in the PDS, being conflicts and operational and cyber risks.

MARKETING NAME CHANGE OF PERPETUAL HIGH GRADE TREASURY FUND

The marketing name of the Perpetual High Grade Treasury Fund has changed to the Perpetual High Grade Floating Rate Fund. This new marketing name is reflected throughout the PDS and was previously communicated to investors on 8 October 2020.

PERPETUAL WHOLESALE SPLIT GROWTH FUND

The Fund strategy has been updated in response to changing market conditions and the expected outlook for financial markets, seeking to manage volatility and improve our ability to provide investors with long term capital growth.

From 1 December 2020, the Fund may invest in Australian shares (no longer restricted to industrial shares) and international shares, along with exchange traded funds and derivatives. The Fund will move to a greater allocation of passive assets. Active currency management may be used in managing the Fund. The combination of assets held by the Fund at any time are those which we believe are likely to provide the greatest probability of achieving the investment objective over rolling three-year periods.

A dynamic asset allocation approach will be taken to adjust the investment exposure to capture the best opportunities, seeking to participate in the upside and minimise downside risk. The Benchmark of the Fund has been updated to a composite benchmark comprising the S&P/ASX 300 Accumulation Index and the MSCI World ex Australia Accumulation Index (AUD) to reflect the change in asset allocation approach.

These changes are reflected in the “Fund profiles” section in the PDS and were previously communicated to investors on 28 October 2020.

PERPETUAL GLOBAL INNOVATION SHARE FUND

The investment approach in the “Fund profiles” section for this Fund has been updated to include that currency is managed at the Fund level, taking into account currency exposure arising from underlying investments.

You should also refer to “Currency risk” in the PDS for further information.

PERPETUAL WHOLESALE GLOBAL SHARE FUND

On 31 August 2020, Perpetual Investment Management Limited appointed Barrow, Hanley, Mewhinney & Strauss, LLC (“Barrow Hanley”) as investment manager of this Fund. Additional disclosure on appointment of specialist investment managers, such as Barrow Hanley is now included within the PDS.

This change is reflected in the “Fund profiles” section for this Fund and in the “Specialist Investment Managers” section of the PDS.

Additionally, the investment approach and guidelines of this Fund have been updated to reflect the investment strategy to be used by Barrow Hanley. These changes are reflected in the applicable Fund profile.

These changes were previously communicated to investors on 27 July 2020 and 7 September 2020.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ETHICAL FACTORS

We have updated our disclosure for the ethical and socially responsible screening process. Further information is available in the PDS.

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We have updated our disclosure to reflect the new name and enhanced features for our updated online access for investors.

FURTHER INFORMATION

If you have any questions about these changes, please contact your financial adviser, or phone us on 1800 022 033 during 8.30am and 6pm (Sydney time).

This information has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL No 234426 (PIML). It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS issued by PIML should be considered before deciding whether to acquire or hold units in a Fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au. No company in the Perpetual Group* guarantees the performance of the Funds or the return of an investor’s capital. The information contained in this document is believed to be accurate at the time of compilation.

* Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries.

MORE INFORMATION

Perpetual Investments 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au/wholesalefundupdates

