

Offering investors the potential for regular income, above cash returns and lower volatility than other income strategies

The Perpetual Diversified Income Fund is a conservative, highly diversified, credit fund. It offers the potential for regular income and returns above a cash floating rate benchmark, the UBS Bank Bill Index over rolling three year periods (before fees). The Fund is managed by a highly experienced investment team that follows a disciplined approach, focusing on quality debt securities.

About the Fund

The Perpetual Diversified Income Fund aims to provide investors with regular income and returns above cash by investing in a diverse range of income-generating assets. The Fund is actively managed and can move in and out of various income-producing asset sectors at different stages of the investment cycle, with a focus on protecting investors' capital and investing where risk is being best rewarded.

Benefits of the Fund

- **Broad investment strategy and active approach.** Unlike some income funds that are limited to particular strategies or sectors, The Perpetual Diversified Income Fund can invest across the complete spectrum of credit opportunities. This enables it to deliver consistent income across market cycles, and the best return for the given level of risk. Importantly, the active approach seeks to minimise the affect of market downturns on the portfolio and focuses on protecting capital.
- **High levels of diversification.** The ability to opportunistically allocate to different sectors also allows the Fund to be highly diversified. By diversifying across a range of debt securities and sectors, the impact of default is minimised.
- **Liquidity.** The Fund has a highly liquid portfolio, with the core of the portfolio invested in investment-grade assets. This is especially beneficial in periods of uncertainty, as underlying assets of the Fund are always tradeable.
- **Experienced, disciplined and risk aware team.** The Fund is managed by one of Australia's most experienced credit teams based on years of experience. Our investment approach is well suited to delivering investors with the income they desire, for the appropriate amount of risk, in all market conditions.

When to use the Fund

The Perpetual Diversified Income Fund may suit investors looking for:

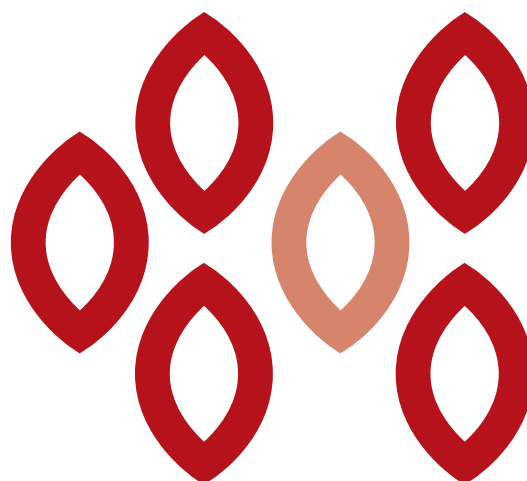
- the potential for regular income and above cash returns in most market conditions
- an investment approach focusing on quality, diversification and liquidity of income-producing securities
- a fund that aims to protect capital, especially during periods of market stress
- a highly diversified portfolio of income-generating assets across various sectors and issuers
- access to an investment team with a proven track record in managing fixed income investment funds.

How the Fund works

The core of the Perpetual Diversified Income Fund is a highly liquid and diversified investment-grade portfolio.

In times of market stress, the Fund provides protection by investing in investment grade, short-dated assets. However, when the environment is supportive, we can enhance returns by taking on more risk in the portfolio.

We seek to generate above-benchmark returns by maintaining a diversified portfolio and taking a highly active and risk-aware approach to portfolio management.



We analyse all issuers in detail to determine their credit worthiness and will not invest in poor quality issues, even if they have a favourable outlook or attractive pricing. Risk is managed in the portfolio through our credit risk scoring process. This governs how much risk should be taken, and where it should be spent with regard to issuer, rating, sector and maturity.

Investment team

Perpetual's credit team

Our credit team is responsible for managing Perpetual's Diversified Income Fund. The team collectively manages \$9.1 billion of funds in our cash, credit and fixed income funds as at 28 February 2011. The team uses a proven investment approach that focuses on identifying quality securities and investments that are attractively valued.

The Fund at a glance

	Perpetual Diversified Income Fund
Benchmark	UBS Bank Bill Index
Investment aim	Provide regular income and consistent returns above the UBS Bank Bill Index over rolling three year periods (before fees) by investing in a diverse range of income-generating assets
Commencement date	October 2005
Distribution frequency	Quarterly March, June, September, December
Management costs	0.700% pa ¹ 1.65% pa ²
Buy/sell spreads as at 28 February 2011	0.10%/0.10% ¹ 0.20%/0.00% ²
Access via	Perpetual Wholesale Funds, Perpetual WealthFocus Investment Advantage, Perpetual WealthFocus Investment Funds, Perpetual WealthFocus Super and Pension Plan

1 Perpetual Wholesale Funds.

2 Perpetual WealthFocus Investment Advantage, Perpetual WealthFocus Investment Funds, Perpetual WealthFocus Super and Pension Plan.

Risks of investing

While it is not possible to identify every risk, some of the potential risks to consider before making an investment in the funds include:

- loss of capital or not receiving income (investment risk)
- an event that has a negative effect on the price of all investments in the market (market risk)
- securities falling in value or not paying income (asset risk)
- a loss occurring if the other party to a contract defaults on their obligations under the contract (counterparty risk).

For more on the risks of investing, refer to the relevant product disclosure statement.

About Perpetual

Perpetual is one of Australia's most experienced investment services groups, with an enduring passion for protecting and growing our clients' wealth.

We offer a broad range of investment, superannuation and retirement income products. Our choice of investment funds includes all major asset classes, managed by Perpetual or other leading fund managers, as well as multi-manager funds.

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Further information

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au