

New Perpetual active ETF targets credit and fixed-income sweet spot

By Perpetual Asset Management

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Prabhu explains

- Find out about Perpetual's new active ETF [Perpetual Diversified Income Fund \(ASX:DIFF\)](#)
- [The case for active management in credit and fixed income](#)
- [Why credit belongs in your portfolio](#)

PERPETUAL Diversified Income Active ETF (ASX: DIFF), which launches today, is an actively-managed, diverse portfolio of liquid, mainly investment-grade credit securities.

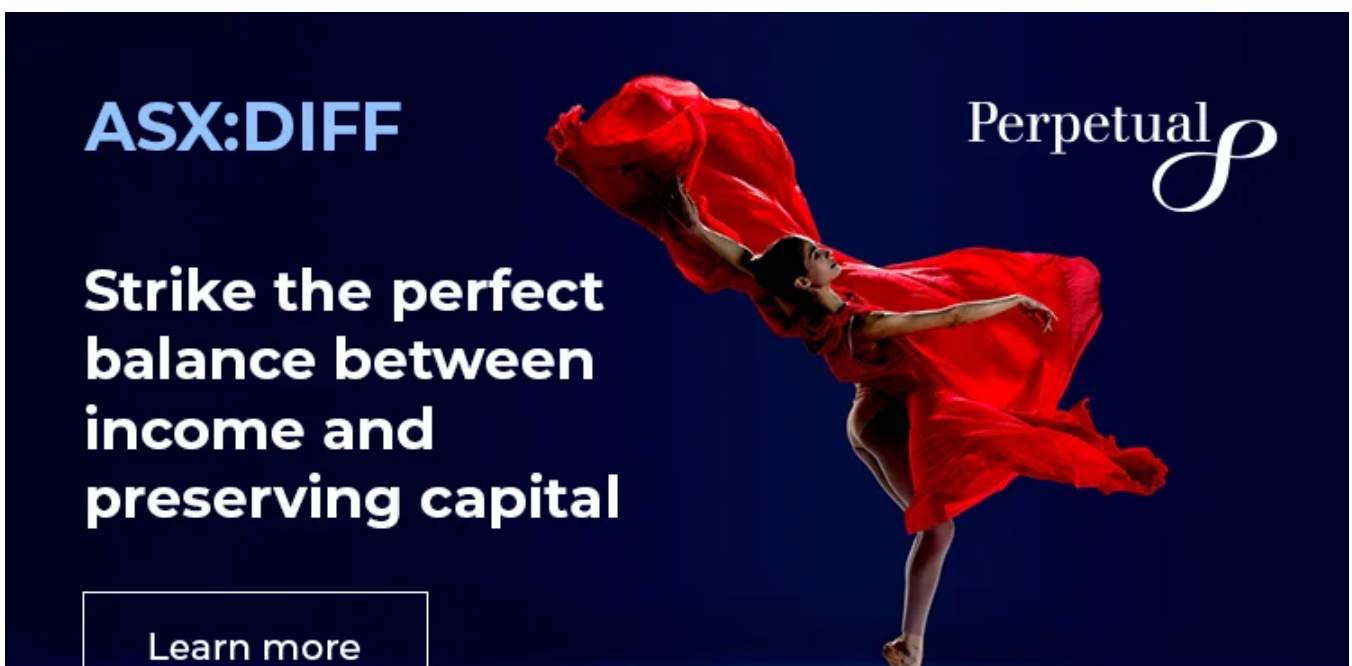
It's the first time Perpetual's trusted Credit and Fixed Income capability has been available via a convenient ASX-listed active ETF with no minimum investment and an open-ended structure.

DIFF is a unit class of Perpetual Diversified Income Fund (DIF), a managed fund with \$2.4 billion in funds under management (at June 30, 2025) and a history of outperforming its benchmark over two decades.

It's designed for investors seeking daily liquidity, reliable income and capital preservation via a portfolio of mainly investment-grade credit securities.


DIFF also offers exposure to assets that are difficult to access directly, such as senior debt and subordinated bank debt.

The fund combines disciplined security selection, defensive portfolio construction and day-to-day liquidity – without the constraints faced by passive index replication or the delays common to traditional unlisted funds.



ASX:DIFF

Strike the perfect balance between income and preserving capital

Perpetual 

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credit cycles.

“We’re not blindly following an index,” says Perpetual’s head of credit and fixed income, Vivek Prabhu.

“We construct portfolios in a risk-aware fashion.”

How DIFF works

DIFF trades on the ASX like any other listed security, with no minimum investment and daily liquidity during trading hours.

It allows investors to access the same portfolio as the existing Diversified Income Fund manage fund, but in a format that offers:

- **T+2 settlement** – listed ETFs can be bought and sold on the ASX throughout the trading day, with settlement typically completed within two days.
- **Intraday pricing** – market makers provide real-time pricing and liquidity.
- **No paperwork** – for investors who have a stockbroking account, no extra forms need to be filled out.

This removes some of the friction associated with traditional fixed income investments like locking up cash in a term deposit or facing redemption restrictions from unlisted funds.

What it holds

DIFF invests in a broad range of credit assets, with exposures including:

- **Senior debt** issued by global banks and large companies – these sit at the top of the capital structure and offer greater security compared to other forms of debt or equity
- **Subordinated debt** – bank debt that ranks below senior debt in the capital structure but offers higher yields to compensate for the additional risk
- Selected **hybrid bank securities** – as regulators phase out the hybrids market, DIFF offers continued access to the asset class in a diversified way.
- **Asset-backed securities** like residential mortgages – the diversified nature of these asset pools spread risk across many individual loans.

The fund is designed for investors seeking predictable outcomes - including above cash rate returns, consistent income and capital preservation.

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About Vivek Prabhu and Perpetual Diversified Income Fund

Vivek is Perpetual's Head of Credit & Fixed Income. He joined Perpetual in 2004 and has more than 30 years of experience in finance, investments, accounting, governance and risk management.

He has managed multi-billion-dollar fixed income, credit and currency portfolios and his role involves credit analysis, trade execution and portfolio construction.

Vivek's Perpetual Diversified Income Fund (DIF) is designed for investors seeking daily liquidity, reliable income and capital preservation via a portfolio of predominantly high-quality, investment-grade credit securities.

The strategy is now also available as an ASX-listed active ETF (ASX: DIFF). DIFF is a unit class of DIF.

Find out more about ASX-listed Perpetual Diversified Income Fund (ASX:DIFF) [here](#) or the managed fund [here](#).

Find out about Perpetual's [credit and fixed income capabilities](#)

Want to know more? [Contact a Perpetual account manager](#)



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Vivek Prabhu

Head of Credit & Fixed Income

BBus, FCA, Grad Dip App Fin & Inv, MBA, GAICD

This information has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426, as the issuer of the Perpetual Diversified Income Fund ARSN 110 147 665 (the Fund) and the issuer of the Perpetual Diversified Income Active ETF (ASX: DIFF) (Active ETF).. 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. Past performance is not indicative of future performance.

The product disclosure statement (PDS) for the Fund, should be considered before deciding whether to acquire, dispose or hold units in the Fund. The PDS for the Active ETF and the other periodic and continuous disclosure announcements lodged with the ASX should be considered before deciding whether to acquire, dispose or hold units in the ETF. The PDSs and the Target Market Determinations (TMD), issued by PIML, for the Fund and Active ETF can be obtained by calling 1800 022 033 or visiting www.perpetual.com.au.

Neither PIML nor any company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of, or any return on an investment made in the ETF or the return of an investor's capital.

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