

# IMPLEMENTED FIXED INCOME PORTFOLIO

Fund Profile – 28 February 2019

## FUND FACTS

<b>APIR code</b>	PER0710AU
<b>Inception Date</b>	9 December 2013
<b>Asset class</b>	Fixed Income
<b>Investment style</b>	Multi Manager Blend
<b>Benchmark</b>	Fixed Income Composite Benchmark *
<b>Suggested length of investment</b>	Two years or more.
<b>Unit pricing frequency</b>	Daily
<b>Distribution frequency</b>	Quarterly
<b>Legal type</b>	Unit Trust
<b>Product type</b>	Wholesale Managed Investment Scheme
<b>Status</b>	Open
<b>ICR (%) (as at 30 June 2018)</b>	0.47%
<b>Buy/Sell spread (as at 1 October 2018)</b>	0.14% / 0.00%
<b>Issuer</b>	Perpetual Investment Management Limited

## INVESTMENT OBJECTIVE

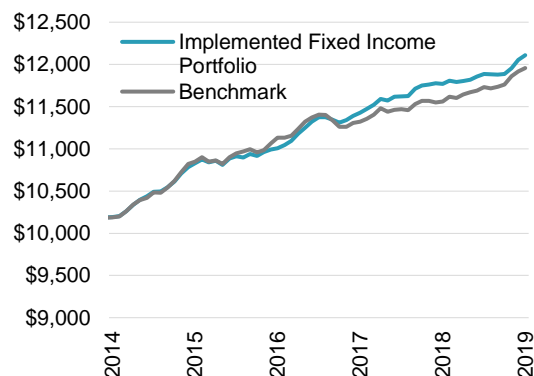
To provide investors with income and capital stability through investment in a diversified portfolio of fixed income and floating rate investments (including mortgages). To outperform the stated benchmark over rolling three-year periods.

## BENEFITS

Provides investors with the potential for maximising income and capital stability, with broad market exposure.

## GROWTH OF \$10,000 SINCE INCEPTION (NET OF FEES)

As at February 2019



Source: RBC.

\*The Fixed Income Composite benchmark consists of 50% Bloomberg AusBond Bank Bill Index, 25% Bloomberg AusBond Composite Index & 25% Bloomberg Barclays Global Aggregate (AUD Hedged), reflecting the portfolio's investment strategy.

## NET PERFORMANCE

As at February 2019

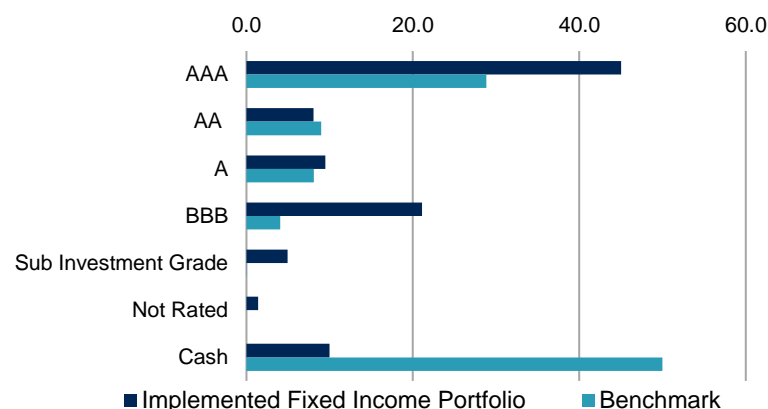
RETURNS	1MTH	3MTH	1YR	3YR	5YR	S/I*
Total return	0.5%	1.9%	2.9%	3.2%	3.5%	3.7%
Growth return	0.5%	1.1%	0.5%	0.1%	0.4%	0.7%
Distribution return	0.0%	0.8%	2.4%	3.1%	3.1%	3.0%
Benchmark	0.3%	1.6%	3.4%	2.4%	3.3%	3.5%
Excess Return	0.1%	0.2%	-0.5%	0.8%	0.3%	0.3%

Source: RBC. Past performance is not indicative of future performance.

\*Since Inception

## RATINGS BREAKDOWN

As at December 2018\*

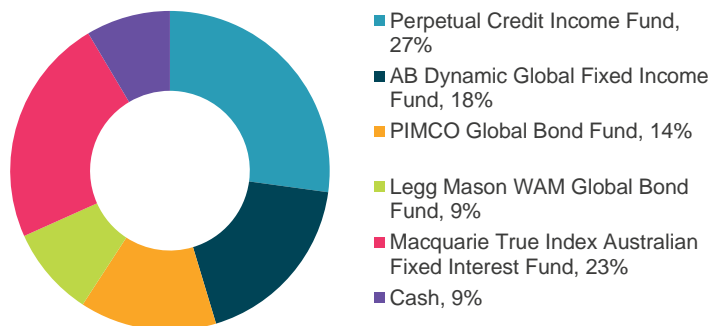


Source: External Manager Reports.

\*Portfolio Exposures can be lagged by up to 3 months.

## PORTFOLIO EXPOSURE BY MANAGER

As at February 2019



Source: RBC.

## INVESTMENT APPROACH

A multi-manager framework is utilised, where specialist investment managers are selected to form a diverse and complementary mix of investment strategies and styles. This can help reduce volatility by avoiding over exposure to a particular specialist investment manager. Derivatives may be used in managing the portfolio.

## INVESTMENT STRATEGY

The portfolio is biased towards managers who combine top-down macroeconomic research and fundamental bottom-up analysis for sector positioning across industries, positioning across the yield curve and for security selection. They have a repeatable investment process, operate within an appropriate risk management framework and operate in an aligned and stable organisational structure. We believe these factors best deliver a stable outcome of returns within a multi-manager framework.

The Implemented Fixed Income Portfolio invests in both Australian and International fixed interest markets, as well as diversified credit markets.

The managers within the Implemented Fixed Income Portfolio will invest across the broad spectrum of available debt instruments diversified by industry, maturity and credit rating (the majority of which will be investment grade as assigned by a recognised global ratings agency). Their portfolios tend to be diversified across hundreds of positions both in physical securities and through the use of derivatives. The diversified nature of their portfolios aims for the delivery of consistent returns above their designated benchmarks and acts to mitigate a large negative portfolio impact from any single position that may underperform from time to time.

The Implemented Fixed Income Portfolio blends a small group of managers that construct well diversified portfolios, who have a long-term and consistent track record, are expected to continue to deliver on this track record, and whose investment styles complement each other well. Consistency and complimentary of return profiles are of critical importance such that we can comfortably blend managers to deliver consistent and stable outperformance above the benchmark.

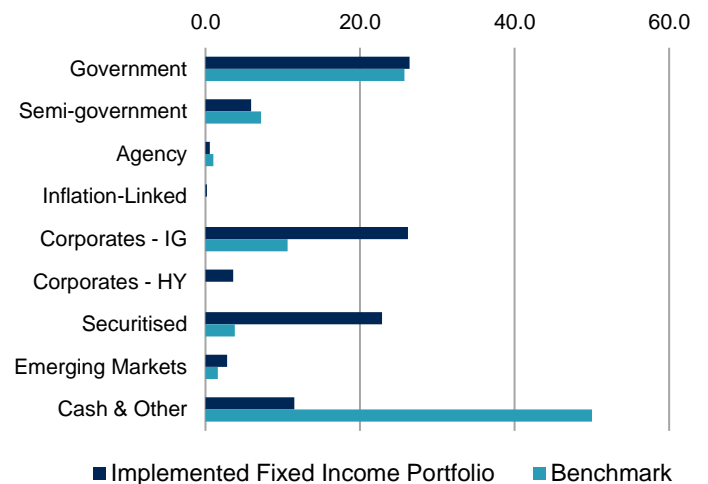
## MANAGER LINE-UP AND APPROACH

As at February 2019

MANAGER	APPROACH
<b>Perpetual Credit Income Fund</b>	Australian floating rate income, investment grade credit focus.
<b>AB Dynamic Global Fixed Income Fund</b>	Global diversified fixed income, multi-sector strategy.
<b>PIMCO Global Bond Fund</b>	Global fixed income, core (duration) plus (credit) strategy.
<b>Legg Mason WAM Global Bond Fund</b>	Global core fixed income, yield curve positioning.
<b>Macquarie True Index Australian Fixed Interest</b>	Australian passive core fixed income and True Indexing fund.

## SECTOR EXPOSURES

As at December 2018\*



Source: External Manager Reports

\*Portfolio Exposures can be lagged by up to 3 months.

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