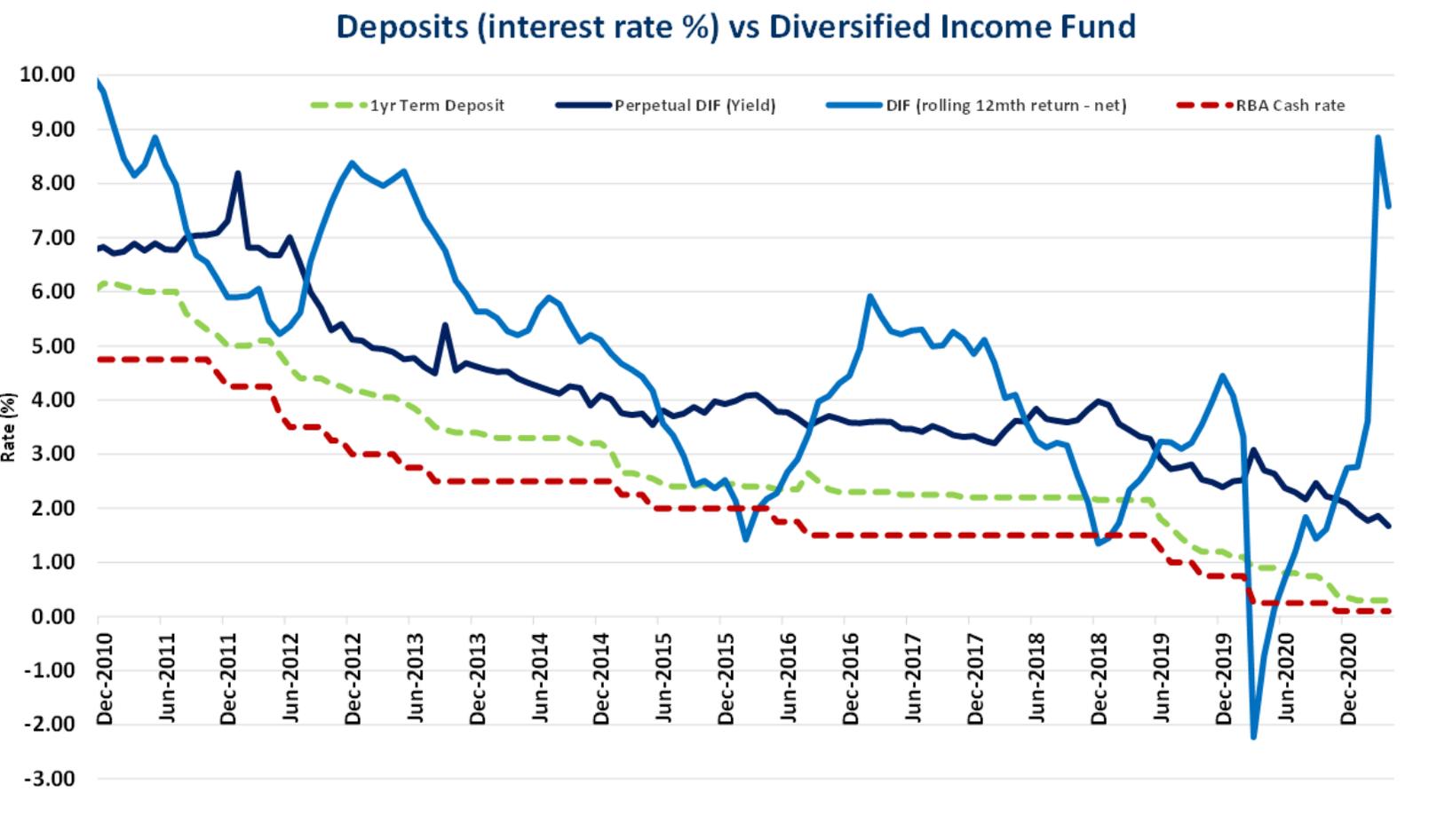


# Repricing of deposits



Source: Perpetual, RBA

- The chart shows how the RBA official cash rate (red line) has been falling over the last decade after peaking at 4.75% in October 2011.
- Term deposits rates (green line) have suffered a double whammy, from both falling interest rates and a contracting premium above RBA cash rates (one year term deposits offered 150bp return above RBA cash at the end of 2010, currently only 20bp above RBA cash rate).
- For those investors willing to take a little bit of high quality, predominantly investment grade credit risk, the Diversified Income Fund offers an opportunity to capture the credit yield premium to generate meaningful returns above cash and term deposits whilst having access to daily liquidity.
- It is worth noting that over the last decade there have only been three brief periods where the fund's one year net returns have underperformed the RBA cash and one year term deposits – in each of these instances, fund returns were very strong during the ensuing 12 months.
- The chart also shows that opportunities are often greatest following periods of market volatility, as demonstrated by Diversified Income Fund generating the strongest one year returns in almost a decade at the end March 2021 of +8.85% (after fees).
- The fund is designed around investor outcomes; targeting a return of bank bills + 2% per annum (before fees) and has successfully and consistently delivered on this objective over the last decade.

## IMPORTANT INFORMATION

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The PDS for the Perpetual Diversified Income Fund, issued by PIML, should be considered before deciding whether to acquire or hold units in the fund. The PDS can be obtained by calling 1800 022 033 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance