

FUNDAMENTALS



PERPETUAL PURE CREDIT ALPHA FUND

The Perpetual Pure Credit Alpha Fund is an actively managed, credit-focused fixed income strategy that aims to achieve a positive return above the cash rate over rolling three-year periods (before fees and taxes).

Managed by Perpetual's highly experienced credit team, the Fund invests across the full spectrum of credit securities on an opportunistic basis.

FUND AT A GLANCE

INVESTMENT OBJECTIVE

The Fund aims to provide investors with a positive return above the cash rate over rolling three-year periods (before fees and taxes) by primarily investing in and actively trading fixed income securities and related derivatives.

INVESTMENT GUIDELINES

	Investment grade debt	50-100%
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	Sub-investment grade and non-rated debt (subject to a 5% issuer limit)	0-50%
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	Equity	0-15%
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	Illiquid assets	0-18%
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	Maximum gearing limit (of the Fund's net asset value)	50%
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Inception date	March 2012
Distributions	Quarterly
APIR Code	PERO669AU
Management fee (% pa)*	1.00%
Typical number of securities	50-175
Modified duration limit	-1 year to +4 years (Typical range -1 year to +1 year)
Buy spread#	0.15%
Sell spread#	0.25%

PLATFORM AVAILABILITY

Hub24, Macquarie Wrap, Netwealth

BENCHMARK

RBA Cash Rate

PORTFOLIO MANAGER



MICHAEL KORBER

Head of Credit and Fixed Income
Perpetual Investments



ABOUT THE FUND

The Perpetual Pure Credit Alpha Fund is constructed on a 'core-plus' basis. At least half of the portfolio is allocated to the 'core' component and consists of investment grade securities, anchoring the portfolio in liquidity and capital stability.

The 'plus' component of the portfolio is focused on investing in high yield securities to provide a stable source of running yield.

To achieve this, the investment team combines its proven top-down credit scoring process with extensive bottom-up fundamental issuer credit analysis and active security selection to ensure a strong conviction and build a diversified portfolio in terms of sectors, industries and ranking in the capital structure.



HOW DOES THE FUND FIT INTO A WELL-BALANCED PORTFOLIO?

The Perpetual Pure Credit Alpha Fund has been designed for sophisticated investors. It allows the team discretion to invest in areas of the market or a company's capital structure where they see relative value. The diversified portfolio includes a high-yield, opportunistic credit focus, taking into account changes in market-wide and security-specific credit margins while seeking to maximise returns from liquidity premiums.

By considering a full range of securities across the entire capital structure, the Fund provides investors with the opportunity to diversify their portfolio away from defensive assets that are tied to fixed interest rates. This means capital is less sensitive to changes in interest rates and investors are well positioned to benefit from the higher interest income generated following a rise in interest rates.



WHY INVEST WITH PERPETUAL?

Perpetual has been managing investment portfolios since 1966 and has some of Australia's most experienced and specialist investment managers.

Our disciplined process of identifying high-quality, attractively valued investment opportunities, has been tested and proven in Australian Equities for 50+ years and the fixed income process has been developed and refined for over 15 years with proven results through different market cycles.

We actively manage the investments of our clients, based on fundamental research and analysis. To augment this process, we constantly invest in the quality and depth of our team. The senior fixed income team at Perpetual have more than 80 years' combined experience in investment management and have worked together as a team for more than a decade.

FIND OUT MORE

Financial advisers: contact Adviser Services on 1800 062 725 or email investments@perpetual.com.au

Investors: contact Investor Services on 1800 022 033 or email investments@perpetual.com.au

WHAT ARE THE RISKS?

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offering document for a fund should be considered before deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

As at 1 March 2021. Subject to change. Refer to the Fund's PDS for the latest spreads.

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