

Perpetual Investments

PERPETUAL WHOLESALE FUNDS

1 June 2018



With effect from 1 June 2018, we have updated and issued a new Product Disclosure Statement issue number 11 for the Perpetual Wholesale Funds (PDS). The material changes are set out below.

ADDITIONAL FUNDS

The Perpetual Ethical SRI Credit Fund and Perpetual Global Innovation Share Fund are now offered under the PDS. At this stage, these funds are not available to New Zealand investors. Future continuous disclosure will notify when these funds are available to invest in.

PERPETUAL WHOLESALE DIVERSIFIED REAL RETURN FUND NEW PERFORMANCE FEE UNIT CLASS, RG240 COMPLIANCE AND NEW MARKETING NAME

NEW PERFORMANCE FEE UNIT CLASS AND RG240 COMPLIANCE

A new performance fee paying unit class in the Perpetual Wholesale Diversified Real Return Fund is now offered under the PDS. The PDS also includes additional disclosure about the Perpetual Wholesale Diversified Real Return Fund, in accordance with Regulatory Guide 240: Hedge funds: Improving Disclosure. The new performance fee unit class is called Perpetual Diversified Real Return Fund – Class Z.

CHANGE OF MARKETING NAME

With effect from 1 June 2018, the Perpetual Wholesale Diversified Real Return Fund is changed to Perpetual Diversified Real Return Fund and the name of the current unit class in the Perpetual Wholesale Diversified Real Return Fund is changed to Perpetual Diversified Real Return Fund – Class W.

ADDITIONAL RISKS

Industry Sector Risk and Smaller Company Risk have been added to the Investment Strategy Risks on page 6 of the PDS. This does not change the way the funds are managed.

UPDATES TO ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS DISCLOSURE

We have enhanced our ethical exclusions and SRI screening process by:

- adding in additional categories of investments we will exclude;
- broadening the definition of negative corporate governance behaviour for SRI screening.

The ethical exclusions and SRI screening process applies to the Perpetual Wholesale Ethical SRI Fund and the Perpetual Ethical SRI Credit Fund.

With respect to the Perpetual Ethical SRI Credit Fund, derivative counterparties are also subject to ethical exclusions and SRI screening, and sovereign issuers will be analysed on environmental, social and corporate governance factors.

PERPETUAL WHOLESALE ETHICAL SRI FUND – FUND PROFILE UPDATE

We have updated the objective in the fund profile for the Perpetual Wholesale Ethical SRI Fund on page 13 of the PDS, as follows:

PERPETUAL WHOLESALE ETHICAL SRI FUND	CURRENT	NEW
Objective	<p>Aims to:</p> <p>provide long-term capital growth and regular income through investment in quality shares of socially responsible companies</p> <p>outperform the S&P/ASX300 Accumulation Index (before fees and taxes) over rolling three-year periods.</p>	<p>Aims to:</p> <p>provide long-term capital growth and regular income through investment in quality shares of ethical and socially responsible companies</p> <p>outperform the S&P/ASX300 Accumulation Index (before fees and taxes) over rolling three-year periods.</p>

INVESTMENT GUIDELINES – FUND PROFILE UPDATES

Investment strategies have not been changed for the following funds. However, to improve disclosure in the fund profiles, the investment guidelines for the following funds have been updated:

INVESTMENT GUIDELINES	CURRENT	NEW
Perpetual Wholesale Active Fixed Interest Fund	<p>Cash and investment grade securities (0-100%)</p> <p>Sub-investment grade securities and non-rated securities (0-10%)</p>	<p>Cash and investment grade securities (90-100%)</p> <p>Sub-investment grade securities and non-rated securities (0-10%)</p>
Perpetual Wholesale Diversified Income Fund	<p>Cash and investment grade securities (0-100%)</p> <p>Sub-investment grade securities and non-rated securities (includes mortgages and other private debt 0-15%) (0-25%)</p> <p>Gearing level (of the Fund's net asset value) (0-25%)</p>	<p>Cash and investment grade securities (75-100%)</p> <p>Sub-investment grade securities and non-rated securities (includes mortgages and other private debt 0-15%) (0-25%)</p> <p>Gearing level (of the Fund's net asset value) (0-25%)</p>
Perpetual Wholesale Dynamic Fixed Income Fund	<p>Fixed rate exposure (0-100%)</p> <p>Floating rate exposure (0-100%)</p> <p>Cash and investment grade securities (0-100%)</p> <p>Sub-investment grade securities and non-rated securities (0-25%)</p>	<p>Fixed rate exposure (0-100%)</p> <p>Floating rate exposure (0-100%)</p> <p>Cash and investment grade securities (75-100%)</p> <p>Sub-investment grade securities and non-rated securities (0-25%)</p>
Perpetual Wholesale Income Share Fund	<p>Listed and fixed income securities (80-100%)</p> <p>Cash (0-20%)</p>	<p>Australian shares and fixed income securities (80-100%)</p> <p>Cash (0-20%)</p>

UPDATE TO MANAGEMENT COSTS

Estimated performance fees and indirect costs have been updated. Please refer to pages 27-28 of the PDS for further information.

CLARIFICATION OF TREATMENT OF OPERATIONAL COSTS

The PDS now contains the following statement to clarify the treatment of operational costs:

“Whilst we currently choose to pay normal operating expenses out of our management fee, if a Fund incurs any incidental borrowing costs for short-term operational purposes, these costs may be paid out of the Fund’s assets and reflected in its unit price.”

MAXIMUM PERIOD FOR WITHDRAWALS ALIGNED

The maximum period for payment of withdrawals under the relevant constitution disclosed in the PDS, for the Perpetual Diversified Real Return Fund and Perpetual Wholesale Global Share Fund Hedged, have been updated to align with the relevant constitutions.

The Perpetual Diversified Real Return Fund has a maximum period for withdrawals of 150 days and the Perpetual Wholesale Global Share Fund Hedged has a maximum period for withdrawals of 30 days, under their respective constitutions.

For a copy of the new PDS Issue Number 11 dated 1 June 2018 please visit our website at www.perpetual.com.au/wholesalefundsupdates or request a free copy by contacting us on 1800 022 033 during business hours (Sydney time).

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MORE INFORMATION

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