

Perpetual Investments

PERPETUAL WHOLESALE FUNDS

1 March 2019



With effect from 1 March 2019, we have issued a new Supplementary Product Disclosure Statement number 1 (SPDS1) to be read in conjunction with the Product Disclosure Statement issue number 11 dated 1 June 2018 for the Perpetual Wholesale Funds (PDS). The material changes are set out below.

PERPETUAL WHOLESALE ACTIVE FIXED INTEREST

We have modified the objective of the fund. The new objective is over a rolling three-year period. The old objective was on an ongoing basis. The objective has been updated to be consistent with the approach taken by other Perpetual fixed income funds.

The current versus new disclosure is set out in the table below:

PERPETUAL WHOLESALE ACTIVE FIXED INTEREST FUND	BEFORE 1 MARCH 2019	NEW
Objective	<p>Aims to:</p> <ul style="list-style-type: none">provide investors with regular income by investing in fixed income securities, primarily corporate bondsoutperform the Bloomberg AusBond Composite Index (before fees and taxes) on an ongoing basis.	<p>Aims to:</p> <ul style="list-style-type: none">provide investors with regular income by investing in fixed income securities, primarily corporate bondsoutperform the Bloomberg AusBond Composite Index (before fees and taxes) over rolling three-year periods.

PERPETUAL WHOLESALE SHARE-PLUS LONG-SHORT FUND

The Wholesale Share-Plus Long-Short fund strategy has been modified to include short positions in global shares. The Fund may now have up to 10% exposure to short positions in global shares. As a result, the Objective, Investment approach and Investment guidelines have been updated as follows:

PERPETUAL WHOLESALE SHARE-PLUS LONG-SHORT FUND	BEFORE 1 MARCH 2019	NEW																
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in quality shares and taking short positions in selected Australian shares • outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in quality shares and taking short positions predominantly in selected Australian shares⁹ • outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 																
Investment approach	<p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>In addition, Perpetual aims to take short positions in Australian shares that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions). Derivatives may be used in managing the Fund.</p>	<p>Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>In addition, Perpetual aims to take short positions predominantly in Australian shares⁹ that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions). Derivatives may be used in managing the Fund.</p>																
Investment guidelines	<table border="0"> <tr> <td>Australian shares⁹</td> <td>90-125%</td> </tr> <tr> <td>Short positions in Australian shares¹²</td> <td>0-25%</td> </tr> <tr> <td>Australian shares⁹ (net)¹²</td> <td>65-100%</td> </tr> <tr> <td>Cash</td> <td>0-35%</td> </tr> </table>	Australian shares ⁹	90-125%	Short positions in Australian shares ¹²	0-25%	Australian shares ⁹ (net) ¹²	65-100%	Cash	0-35%	<table border="0"> <tr> <td>Australian shares⁹</td> <td>90-125%</td> </tr> <tr> <td>Short positions¹²</td> <td>0-25%</td> </tr> <tr> <td>Australian shares⁹ (net)¹²</td> <td>65-100%</td> </tr> <tr> <td>Cash</td> <td>0-35%</td> </tr> </table>	Australian shares ⁹	90-125%	Short positions ¹²	0-25%	Australian shares ⁹ (net) ¹²	65-100%	Cash	0-35%
Australian shares ⁹	90-125%																	
Short positions in Australian shares ¹²	0-25%																	
Australian shares ⁹ (net) ¹²	65-100%																	
Cash	0-35%																	
Australian shares ⁹	90-125%																	
Short positions ¹²	0-25%																	
Australian shares ⁹ (net) ¹²	65-100%																	
Cash	0-35%																	

You should refer to page 20 of the PDS for details of footnotes, subject to the changes detailed in the 'Footnotes to Fund Profiles' section below.

PERPETUAL WHOLESALE CONSERVATIVE GROWTH FUND, DIVERSIFIED GROWTH FUND AND BALANCED GROWTH FUND

The Objective of each fund has been amended to include an additional objective of performance over CPI for each fund. The Investment approach has been amended to provide that currency may be managed to either hedge or create an exposure to a foreign currency. The asset allocation of Cash has been reduced (Conservative Growth Fund only) and Fixed Income increased as certain investments which were previously classified as cash investments have now been classified as Fixed Income investments to respond to industry change.

The current versus new disclosure is set out in the tables on below.

PERPETUAL WHOLESALE CONSERVATIVE GROWTH FUND	BEFORE 1 MARCH 2019	NEW																								
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities outperform CPI + 3.5% pa (before fees and taxes) over at least two-year periods outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 																								
Investment approach	<p>The Fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash, enhanced cash and fixed income securities.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>	<p>The Fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash, enhanced cash and fixed income securities.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the Fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>																								
Investment guidelines	<table> <tbody> <tr> <td>Australian shares²⁰</td> <td>0-25%</td> </tr> <tr> <td>International shares²⁰</td> <td>0-20%</td> </tr> <tr> <td>Property</td> <td>0-10%</td> </tr> <tr> <td>Fixed income</td> <td>15-55%</td> </tr> <tr> <td>Cash and enhanced cash²¹</td> <td>15-55%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </tbody> </table>	Australian shares ²⁰	0-25%	International shares ²⁰	0-20%	Property	0-10%	Fixed income	15-55%	Cash and enhanced cash ²¹	15-55%	Other assets ²²	0-30%	<table> <tbody> <tr> <td>Australian shares²⁰</td> <td>0-25%</td> </tr> <tr> <td>International shares²⁰</td> <td>0-20%</td> </tr> <tr> <td>Property</td> <td>0-10%</td> </tr> <tr> <td>Fixed income²¹</td> <td>15-65%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>5-55%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </tbody> </table>	Australian shares ²⁰	0-25%	International shares ²⁰	0-20%	Property	0-10%	Fixed income ²¹	15-65%	Cash and enhanced cash	5-55%	Other assets ²²	0-30%
Australian shares ²⁰	0-25%																									
International shares ²⁰	0-20%																									
Property	0-10%																									
Fixed income	15-55%																									
Cash and enhanced cash ²¹	15-55%																									
Other assets ²²	0-30%																									
Australian shares ²⁰	0-25%																									
International shares ²⁰	0-20%																									
Property	0-10%																									
Fixed income ²¹	15-65%																									
Cash and enhanced cash	5-55%																									
Other assets ²²	0-30%																									

You should refer to page 20 of the PDS for details of footnotes, subject to the changes detailed in the 'Footnotes to Fund Profiles' section below.

PERPETUAL WHOLESALE DIVERSIFIED GROWTH FUND	BEFORE 1 MARCH 2019	NEW																								
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets • outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets • outperform CPI + 4.5% pa (before fees and taxes) over at least three-year periods • outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 																								
Investment approach	<p>The Fund invests in a diverse mix of growth, defensive and other assets.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>	<p>The Fund invests in a diverse mix of growth, defensive and other assets.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the Fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>																								
Investment guidelines	<table border="0"> <tr> <td>Australian shares²⁰</td> <td>10-35%</td> </tr> <tr> <td>International shares²⁰</td> <td>10-30%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income</td> <td>10-45%</td> </tr> <tr> <td>Cash and enhanced cash²¹</td> <td>0-30%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </table>	Australian shares ²⁰	10-35%	International shares ²⁰	10-30%	Property	0-15%	Fixed income	10-45%	Cash and enhanced cash ²¹	0-30%	Other assets ²²	0-30%	<table border="0"> <tr> <td>Australian shares²⁰</td> <td>10-35%</td> </tr> <tr> <td>International shares²⁰</td> <td>10-30%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income²¹</td> <td>10-55%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>0-30%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </table>	Australian shares ²⁰	10-35%	International shares ²⁰	10-30%	Property	0-15%	Fixed income ²¹	10-55%	Cash and enhanced cash	0-30%	Other assets ²²	0-30%
Australian shares ²⁰	10-35%																									
International shares ²⁰	10-30%																									
Property	0-15%																									
Fixed income	10-45%																									
Cash and enhanced cash ²¹	0-30%																									
Other assets ²²	0-30%																									
Australian shares ²⁰	10-35%																									
International shares ²⁰	10-30%																									
Property	0-15%																									
Fixed income ²¹	10-55%																									
Cash and enhanced cash	0-30%																									
Other assets ²²	0-30%																									

You should refer to page 20 of the PDS for details of footnotes, subject to the changes detailed in the 'Footnotes to Fund Profiles' section below.

PERPETUAL WHOLESALE BALANCED GROWTH FUND	BEFORE 1 MARCH 2019	NEW																								
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments outperform CPI + 5.0% pa (before fees and taxes) over at least five-year periods outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 																								
Investment approach	<p>The Fund invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>	<p>The Fund invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares.</p> <p>Tactical asset allocation strategies may be applied, which involves the Fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the Fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>																								
Investment guidelines	<table border="0"> <tr> <td>Australian shares²⁰</td> <td>10-50%</td> </tr> <tr> <td>International shares²⁰</td> <td>10-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income</td> <td>0-35%</td> </tr> <tr> <td>Cash and enhanced cash²¹</td> <td>0-30%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </table>	Australian shares ²⁰	10-50%	International shares ²⁰	10-50%	Property	0-15%	Fixed income	0-35%	Cash and enhanced cash ²¹	0-30%	Other assets ²²	0-30%	<table border="0"> <tr> <td>Australian shares²⁰</td> <td>10-50%</td> </tr> <tr> <td>International shares²⁰</td> <td>10-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income²¹</td> <td>0-45%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>0-30%</td> </tr> <tr> <td>Other assets²²</td> <td>0-30%</td> </tr> </table>	Australian shares ²⁰	10-50%	International shares ²⁰	10-50%	Property	0-15%	Fixed income ²¹	0-45%	Cash and enhanced cash	0-30%	Other assets ²²	0-30%
Australian shares ²⁰	10-50%																									
International shares ²⁰	10-50%																									
Property	0-15%																									
Fixed income	0-35%																									
Cash and enhanced cash ²¹	0-30%																									
Other assets ²²	0-30%																									
Australian shares ²⁰	10-50%																									
International shares ²⁰	10-50%																									
Property	0-15%																									
Fixed income ²¹	0-45%																									
Cash and enhanced cash	0-30%																									
Other assets ²²	0-30%																									

You should refer to page 20 of the PDS for details of footnotes, subject to the changes detailed in the 'Footnotes to Fund Profiles' section below.

PERPETUAL DIVERSIFIED REAL RETURN FUND - CLASS W UNITS AND DIVERSIFIED REAL RETURN FUND - CLASS Z UNITS

The Class W and Class Z units of the Diversified Real Return Fund have been modified by:

1. Simplifying the Objective of the Fund;
2. Increasing the exposure to foreign currency exposure from 40% to 50% to provide greater flexibility with regard to currency management and align the limit to exposure with other Multi Asset Funds;
3. Amending the investment guidelines to reflect that:
 - a. Private market investments will now be categorised under 'Other Investments.'
 - b. Increasing the allocation to Fixed Income to reflect that investments that were previously categorised as cash are now categorised as fixed income.
 - c. Providing a limit with regard to investments in illiquid assets.

The current versus new disclosure is set out in the table below.

PERPETUAL DIVERSIFIED REAL RETURN FUND - CLASS W AND CLASS Z UNITES	BEFORE 1 MARCH	NEW
Objective	<p>Targets a pre-tax return of 5% per annum above inflation²³ (before fees and taxes) over rolling five-year periods.</p> <p>Aims to provide investors with exposure to a balanced portfolio that is constructed with reference to risk premiums (risk contribution to overall portfolio) rather than capital allocations.</p>	<p>Targets a pre-tax return of 5% per annum above inflation²³ (before fees and taxes) over rolling five-year periods, while minimising downside risk.</p>
Investment approach	<p>The Fund will invest in a diversified range of asset classes which are weighted according to the level of risk they contribute to the portfolio. Assets will be managed to effectively diversify these risk exposures. The combination of assets held by the Fund at any time are those which we believe provide the greatest probability of achieving the target return over rolling five-year periods. Perpetual may quickly adjust the Fund's asset allocation to respond to changing market conditions and/or to take advantage of new opportunities.</p> <p>In managing the Fund to meet its investment objective, the Fund may implement a considerable amount of its exposures via derivatives, and may include alternative and private market assets.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 40% of the gross asset value of the Fund.</p>	<p>The Fund will invest in a diversified range of asset classes which are weighted according to the level of risk they contribute to the portfolio. Assets will be managed to effectively diversify these risk exposures. The combination of assets held by the Fund at any time are those which we believe provide the greatest probability of achieving the target return over rolling five-year periods. Perpetual may quickly adjust the Fund's asset allocation to respond to changing market conditions and/or to take advantage of new opportunities.</p> <p>In managing the Fund to meet its investment objective, the Fund may implement a considerable amount of its exposures via derivatives, and may include alternative and private market assets.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the Fund.</p>

Investment guidelines	Australian shares ²⁴	0-50%	Australian shares ²⁴	0-50%
	International shares ²⁴	0-50%	International shares ²⁴	0-50%
	Property	0-15%	Property	0-15%
	Private market investments ²⁵	0-20%	Global fixed income (including Australia) ²¹	0-100%
	Global fixed income (including Australia)		Commodities	0-15%
		0-70%	Other investments ²⁶	0-30%
	Commodities	0-15%	Cash and enhanced cash	0-100%
	Other investments ²⁶	0-30%	(Illiquid assets²⁷	0-20%
Cash and enhanced cash ²¹	0-100%			

You should refer to page 20 of the PDS for details of footnotes, subject to the changes detailed in the 'Footnotes to Fund Profiles' section below.

PERPETUAL WHOLESALE SPLIT GROWTH FUND

We have amended the Investment approach and the Investment guidelines:

1. The investment approach has been amended to allow exchange traded funds to be used to manage each asset class;
2. The investment guidelines have been amended to increase the potential weighting to cash. This is to reflect that the portfolio manager may now look through to the assets of underlying funds which may in turn hold cash. Therefore, even if the Fund is fully invested in funds comprising International Shares and Australian Industrial Shares it may hold greater than the current limit of 10% cash on a look through basis.

The current versus new disclosure is set out in the table below:

PERPETUAL WHOLESALE SPLIT GROWTH FUND	BEFORE 1 MARCH 2019	NEW
Investment approach	Perpetual adopts a fundamental, bottom-up approach to stock selection focusing on quality companies. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. Currency hedges may be used from time to time. Derivatives may be used in managing the Fund.	Perpetual adopts a fundamental, bottom-up approach to stock selection focusing on quality companies. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. Currency hedges may be used from time to time. Derivatives and exchange traded funds may be used in managing each asset class.
Investment guidelines	International shares and Australian industrial shares 90-100% Cash 0-10%	International shares and Australian industrial shares 80-100% Cash 0-20%

FOOTNOTES TO FUND PROFILES

Footnote 25 on page 20 of the PDS is deleted, and replaced with the following text.

The text in the following footnotes on page 20 of the PDS is deleted and replaced with the following text.

- 12 The net market exposure is the value of the Fund's long positions minus the value of its short positions. The Fund primarily holds short positions in Australian shares but may have up to 10% exposure to short positions in global shares.
- 21 This Fund may invest in fixed income funds that allow gearing.
- 26 Other investments may include, but are not limited to, hedge fund replication strategies, insurance-linked strategies, specialist credit and structured products and private market investments.

The following new footnote 27 is added to page 20 of the PDS.

- 27 Illiquid assets are defined as investments (within the above allocations) where no formal secondary exchange exists, such as units in unlisted property.

ADDITIONAL INFORMATION - INQUIRIES AND COMPLAINTS

The Inquiries and Complaints section of the PDS has been amended following the establishment of the Australian Financial Complaints Authority (AFCA) which replaces the existing dispute resolution schemes.

Under the change the final paragraph (including footnote) under 'Inquiries and complaints' on pages 43-44 of the PDS is deleted and replaced with the following text:

If you do not get a satisfactory outcome or your complaint remains unresolved after 45 days, you may refer it to the Australian Financial Complaints Authority (AFCA), of which we are a member. AFCA is the external dispute resolution scheme established by the Commonwealth Government to deal with complaints from consumers in the financial system. AFCA provides a **free** service for consumers.

Contact details for AFCA are as follows:

Phone	1800 931 678
Email	info@afca.org.au
Website	www.afca.org.au
Mail	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

For a copy of the new Supplementary Product Disclosure Statement number 1 (SPDS1), to be read in conjunction with the Product Disclosure Statement issue number 11 dated 1 June 2018 for the Perpetual Wholesale Funds (PDS), 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).

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. 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. The product disclosure statement (PDS) for the Perpetual Wholesale Funds, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au. No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital.

MORE INFORMATION

Perpetual Investments 1800 022 033
Email investments@perpetual.com.au
www.perpetual.com.au/wholesalefundsupdates

