

Changes to buy/sell spreads

CHANGES TO BUY/SELL SPREADS FOR THE PERPETUAL FIXED INCOME AND CREDIT FUNDS

What is a buy/sell spread?

Estimated transaction costs are allocated when an investor buys or sells units in a fund by incorporating a buy/sell spread between a fund's entry and exit unit prices, where appropriate. This aims to ensure that other investors aren't impacted by the transaction costs associated with a particular investor buying or selling units in the fund. The spread is based on our estimates of the average transaction costs incurred by a fund and will impact the return on your investment.

Why are they changing?

In recent months, the costs of transacting in bond markets have increased. Whilst there have been many contributing factors, including increased uncertainty on the economic outlook as a result of the Russia / Ukraine war, the most significant factor has been a tightening in global financial conditions. This tightening in financial conditions has occurred as central banks have embarked on a large and fast paced interest rate hiking cycle, in response to persistent and elevated inflation. We have reviewed the appropriateness of current buy/sell spreads across our suite of funds and believe it is now necessary to make an adjustment to certain buy and sell spreads in order to better reflect current market conditions.

The increase to the buy/sell spreads ensures that investors in the funds are treated fairly and the increased transaction costs are incurred by those investors who are transacting and not passed on to all unitholders.

The new buy/sell spreads will take effect from **1 February 2023**.

What are the new buy/sell spreads?

Fund	APIR	Previous buy/sell spread		New buy/sell spread
Perpetual High Grade Floating Rate Fund – Class R	PER0562AU	0.05%/0.05%	↑	0.07%/0.07%
Perpetual Active Fixed Interest Fund – Class A	PER8045AU	0.10%/0.10%	↑	0.12%/0.12%
Perpetual Dynamic Fixed Income Fund	PER0557AU	0.10%/0.10%	↑	0.13%/0.13%
Perpetual Diversified Income Fund – Class A	PER0260AU	0.10%/0.10%	↑	0.15%/0.15%
Perpetual ESG Credit Income Fund	PER1744AU	0.10%/0.10%	↑	0.15%/0.15%

Does Perpetual profit from this change?

No, the buy/sell spread is not a fee paid to us, it is retained in the fund to cover the actual transaction costs as they are incurred.

MORE INFORMATION

For further information please refer to the relevant Product Disclosure Statement which is available on our website - <https://www.perpetual.com.au/resources-and-documents>

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More information

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