

# PERPETUAL WHOLESALE FUNDS

1 June 2021



We have updated and reissued the Product Disclosure Statement (PDS) for Perpetual Wholesale Funds (PDS issue number 14 dated 1 June 2021). Effective on and from 1 June 2021, the following is a summary of the key changes reflected in the PDS.

## NEW PERPETUAL ESG REAL RETURN FUND

The new Perpetual ESG Real Return Fund is offered under the PDS.

At the date of this notice, this new Fund is not available to New Zealand investors. Future continuous disclosure will notify when this Fund becomes available for New Zealanders to invest in.

## ADDITIONAL RISKS

We have inserted additional risks in the significant risks table in the PDS, being 'ESG risk' and 'Class risk'.

## FUND PROFILE UPDATES

We have updated the 'Fund profiles' for the following Funds to provide additional information and better reflect the positioning of the Funds as shown below.

| PERPETUAL<br>WHOLESALE ACTIVE<br>FIXED INTEREST FUND | CURRENT  | NEW   |
|--|--|---|
| Objective  | <p>Aims to:</p> <ul style="list-style-type: none"><li>• provide investors with regular income by investing in fixed income securities, primarily corporate bonds</li><li>• outperform the Bloomberg AusBond Composite Index (before fees and taxes) over rolling three-year periods.</li></ul> | <p>Aims to:</p> <ul style="list-style-type: none"><li>• provide investors with regular income by investing in a portfolio of diversified fixed income securities which are predominantly corporate and government bonds</li><li>• outperform the Bloomberg AusBond Composite 0+ Yr Index (before fees and taxes) over rolling three-year periods.</li></ul> |

| PERPETUAL GLOBAL INNOVATION SHARE FUND | CURRENT  | NEW  |
|--|--|--|
| Objective                              | <p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with long-term capital growth through investment in quality global shares that are benefiting from changes in technology and innovation</li> <li>outperform the MSCI All Countries World Net Total Return Index (AUD) (before fees and taxes) over rolling three-year periods.</li> </ul>   | <p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with long-term capital growth through investment in global shares that are benefiting from changes in technology and innovation</li> <li>outperform the MSCI All Countries World Net Total Return Index (AUD) (before fees and taxes) over rolling three-year periods.</li> </ul>   |
| Investment Approach                    | <p>Perpetual aims to achieve the above objectives by adopting a 'bottom-up' stock selection approach to investing, where the decision to buy or sell is based on a fundamental valuation of stocks.</p> <p>The portfolio manager believes that changes in technology and innovation can have a significant impact on the future earnings and valuation of companies, and that by focusing on understanding new changes in technology and innovation this can lead to the early identification of undervalued stocks.</p> <p>In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business</li> <li>recurring earnings.</li> </ul> <p>The Fund may hold up to 30% in companies that fall outside the above criteria.</p> <p>The diversified portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the portfolio manager's high conviction approach to stock selection.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management can be used with the aim of protecting the value of the Fund's assets.</p> <p>Derivatives may be used in managing the Fund.</p> | <p>Perpetual aims to achieve the above objectives by adopting a 'bottom-up' stock selection approach to investing, where the decision to buy or sell is based on a fundamental valuation of stocks.</p> <p>The portfolio manager believes that changes in technology and innovation can have a significant impact on the future earnings and valuation of companies, and that by focusing on understanding new changes in technology and innovation this can lead to the early identification of undervalued stocks.</p> <p>The portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights. Added value is expected to come from the portfolio manager's high conviction approach to stock selection.</p> <p>Currency is managed at the Fund level, taking into account currency exposure arising from underlying investments. Currency management can be used with the aim of protecting the value of the Fund's assets.</p> <p>Derivatives may be used in managing the Fund.</p> <p>Global shares include convertible notes, which are short-term debt securities that convert into equity.</p> |

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| PERPETUAL<br>DIVERSIFIED REAL<br>RETURN FUND (CLASS<br>W & CLASS Z UNITS) | CURRENT  | NEW  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
|---|--|--|-------|------------------------------------|-------|----------|-------|---------------------------------------|--------|-------------|-------|---------------------------------|-------|------|--------|----------------------------------|-------|---|---------------------------------|-------|------------------------------------|-------|----------|-------|---------------------------------------|--------|-------------|-------|---------------------------------|-------|------|--------|
| 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. Net foreign currency exposure will be limited to 50% of the gross asset value of the Fund.</p> | <p>The Fund will invest in a diversified range of asset classes. 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 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. Net foreign currency exposure will be limited to 50% of the gross asset value of the Fund.</p> <p>Investment in illiquid assets<sup>22</sup> will be limited to 18% of the net asset value of the Fund.</p> |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Investment Guidelines   | <table border="1"> <tr> <td>Australian shares<sup>22</sup></td> <td>0-50%</td> </tr> <tr> <td>International shares<sup>22</sup></td> <td>0-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income and credit<sup>19</sup></td> <td>0-100%</td> </tr> <tr> <td>Commodities</td> <td>0-15%</td> </tr> <tr> <td>Other investments<sup>23</sup></td> <td>0-30%</td> </tr> <tr> <td>Cash</td> <td>0-100%</td> </tr> <tr> <td>(Illiquid assets<sup>24</sup>)</td> <td>0-20%</td> </tr> </table>  | Australian shares <sup>22</sup>  | 0-50% | International shares <sup>22</sup> | 0-50% | Property | 0-15% | Fixed income and credit <sup>19</sup> | 0-100% | Commodities | 0-15% | Other investments <sup>23</sup> | 0-30% | Cash | 0-100% | (Illiquid assets <sup>24</sup> ) | 0-20% | <table border="1"> <tr> <td>Australian shares<sup>23</sup></td> <td>0-50%</td> </tr> <tr> <td>International shares<sup>23</sup></td> <td>0-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income and credit<sup>19</sup></td> <td>0-100%</td> </tr> <tr> <td>Commodities</td> <td>0-15%</td> </tr> <tr> <td>Other investments<sup>24</sup></td> <td>0-30%</td> </tr> <tr> <td>Cash</td> <td>0-100%</td> </tr> </table> | Australian shares <sup>23</sup> | 0-50% | International shares <sup>23</sup> | 0-50% | Property | 0-15% | Fixed income and credit <sup>19</sup> | 0-100% | Commodities | 0-15% | Other investments <sup>24</sup> | 0-30% | Cash | 0-100% |
| Australian shares <sup>22</sup>   | 0-50%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| International shares <sup>22</sup>  | 0-50%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Property  | 0-15%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Fixed income and credit <sup>19</sup>                                     | 0-100%   |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Commodities   | 0-15%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Other investments <sup>23</sup>   | 0-30%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Cash  | 0-100%   |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| (Illiquid assets <sup>24</sup> )  | 0-20%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Australian shares <sup>23</sup>   | 0-50%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| International shares <sup>23</sup>  | 0-50%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Property  | 0-15%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Fixed income and credit <sup>19</sup>                                     | 0-100%   |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Commodities   | 0-15%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Other investments <sup>24</sup>   | 0-30%  |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |
| Cash  | 0-100%   |  |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |                                  |       |   |                                 |       |                                    |       |          |       |                                       |        |             |       |                                 |       |      |        |

“For the footnote references, please refer to the Perpetual Wholesale Funds PDS, page 21 for details.”

## UPDATES TO ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ETHICAL FACTORS DISCLOSURE

We have updated this section to include the new Perpetual ESG Real Return Fund and details on its ethical screening process.

For a copy of the new PDS Issue Number 14 dated 1 June 2021 please visit our website at [www.perpetual.com.au/wholesalefundsupdates](http://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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