

Perpetual Select Investment Funds

CHANGES TO FUNDS

The following should be read in conjunction with the Supplementary Product Disclosure Statement dated 1 March 2023 for the Product Disclosure Statement issue number 10 dated 1 October 2020.

WHAT IS CHANGING

Following a comprehensive review of the investment strategies for Perpetual Select Investment Funds, there will be changes to some of the Funds from 1 March 2023 including changes to:

- Investment benchmarks
- Standard Risk Measure (SRM)
- Investment guidelines
- Asset classes, including the income alternatives asset class description

The changes are aimed to improve investment outcomes for the relevant Funds given current and expected market conditions.

HOW DOES THIS AFFECT ME?

No action is required from you, however what these updates mean for you will depend on whether the changes are in line with your investor profile including your objectives, financial situation and needs. Before making any decisions, we strongly recommend that you speak to a licensed financial adviser.

WHAT ARE THE CHANGES?

Changes to investment benchmarks

Fixed income asset class benchmarks for the Diversified Fund, Balanced Fund and Growth Fund are changing as follows:

Current benchmark	Benchmark from 1 March 2023
<u>Fixed income</u> 50% Bloomberg AusBond Composite 0+ Yr Index and 50% Bloomberg Barclays Global Aggregate Index (hedged in AUD)	<u>International fixed income</u> Bloomberg Global Aggregate Bond Index (hedged in AUD)
	<u>Australian fixed income</u> Bloomberg AusBond Composite 0 + Yr Index
<u>Diversified credit</u> Bloomberg AusBond Bank Bill Index	<u>Diversified credit</u> Not applicable as diversified credit is no longer an asset class

Changes to Standard Risk Measure

The Standard Risk Measure for the Perpetual Select Fixed Income Fund is amended from a “4 – Medium” to a “5 – Medium to high”.

Changes to investment guidelines

Perpetual Select Fixed Income Fund

Asset Class	Current disclosure	Asset class	From 1 March 2023
Global fixed income and diversified credit (including mortgages)	80 – 100%	International fixed income²	80 – 100%
Cash	0 – 20%	Cash	0 – 20%

Perpetual Select Diversified Fund

Asset Class	Current disclosure	Asset class	From 1 March 2023
Cash	0 – 30%	Cash	0 – 30%
Fixed Income	10 – 30%	International Fixed Income²	10 – 40%
Diversified Credit	10 – 40%	Australian Fixed Income	5 – 30%
Income alternatives	0 – 10%	Income alternatives	0 – 10%
Real estate	0 – 15%	Real estate	0 – 15%
Australian shares	10 – 25%	Australian shares	10 – 25%
International shares	15 – 40%	International shares	15 – 40%
Growth alternatives	0 – 20%	Growth alternatives	0 – 20%

Perpetual Select Balanced Fund

Asset Class	Current disclosure	Asset class	From 1 March 2023
Cash	0 – 30%	Cash	0 – 30%
Fixed Income	5 – 20%	International Fixed Income²	5 – 30%
Diversified Credit	5 – 25%	Australian Fixed Income	5 – 20%
Income alternatives	0 – 10%	Income alternatives	0 – 10%
Real estate	0 – 15%	Real estate	0 – 15%
Australian shares	10 – 35%	Australian shares	10 – 35%
International shares	15 – 50%	International shares	15 – 50%
Growth alternatives	0 – 20%	Growth alternatives	0 – 20%

Perpetual Select Growth Fund

Asset Class	Current disclosure	Asset class	From 1 March 2023
Cash	0 – 30%	Cash	0 – 30%
Fixed Income	0 – 10%	International Fixed Income²	0 – 15%
Diversified Credit	5 – 25%	Australian Fixed Income	0 – 10%
Income alternatives	0 – 10%	Income alternatives	0 – 10%
Real estate	0 – 15%	Real estate	0 – 15%
Australian shares	15 – 40%	Australian shares	15 – 40%
International shares	20 – 60%	International shares	20 – 60%
Growth alternatives	0 – 20%	Growth alternatives	0 – 20%

² International fixed income may include Australian fixed income.

Changes to income alternative asset class description

The income alternative asset class description will be replaced with the following:

Asset class	Asset class definition effective 1 March 2023
Income alternative	<p>Income Alternatives are alternative assets that have the objective of generating income and include a variety of strategies including:</p> <p>Absolute return funds which are actively managed investments that aim to produce returns in both rising and falling markets by using a broad range of securities and investment techniques.</p> <p>Private Market and Senior debt strategies which include bonds and loans mainly issued by non-investment grade companies. Non-investment grade companies have a lower credit rating than investment grade companies as they are more likely to experience an impairment or default. A non-investment grade company is a company with a credit rating below BBB-/Baa3 or a non-rated asset.</p> <p>Securitised Assets are financial products that are backed by the cash flow of a portfolio of assets. Types of securitised assets include:</p> <ul style="list-style-type: none">• Residential mortgage-backed securities (RMBS): a structured product backed by a portfolio of residential loans.• Commercial mortgage-backed securities (CMBS): backed by a portfolio of commercial property loans.• Collateralised loan obligations (CLOs): backed by a portfolio of senior secured loans to non-investment grade companies.• Asset Backed Securities (ABS): backed by assets like auto loans, consumer loans or loans to franchisees. <p>Private Market Property Debt are mainly loans backed by a residential or commercial property. The debt is held by one investor or by a small group of investors and should be considered as illiquid. The debt is often used to acquire properties, refinance, or redevelop an existing property.</p> <p>Core Property involves purchasing an interest in property that is located in major cities, is intended to have stable long-term rents and low vacancies. The exposure seeks to provide a stable income with the opportunity for a small amount of capital growth.</p> <p>Other Alternatives include royalties and insurance linked investments. Royalties are investments that produce an income backed by an intangible asset such as intellectual property rights or a license. Insurance Linked investments produce an income from the operations of an insurance company or through the premiums paid by an insurance company.</p>

Further information

If you have any questions, please speak to your financial adviser, email investments@perpetual.com.au or phone us on 1800 022 033 during business hours (Sydney time).

Yours sincerely



Daren Donnellan
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More information

Contact your financial adviser or call:

Investor Service: 1800 022 033

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