

Perpetual Investments

PERPETUAL WHOLESALE FUNDS

25 November 2019



Effective 25 November 2019, we have updated and issued a new Product Disclosure Statement issue number 12 (**PDS**) for the Perpetual Wholesale Funds (collectively, the **Funds**). The material changes are set out below.

PERPETUAL WHOLESALE INCOME SHARE FUND

We have updated the investment objective in the fund profile for the Perpetual Wholesale Income Share Fund as follows:

FUND	CURRENT OBJECTIVE	NEW OBJECTIVE
Perpetual Wholesale Income Share Fund	<p>Aims to provide investors with:</p> <ul style="list-style-type: none">• exposure to a diversified portfolio of tax-effective high income yielding Australian securities that are also expected to produce some long-term capital growth• above market dividend yield as measured by the S&P/ASX 200 Accumulation Index and capital growth over the medium to long term through investment in quality shares.	<p>Aims to provide investors with:</p> <ul style="list-style-type: none">• exposure to a diversified portfolio of tax-effective high income yielding Australian securities that are also expected to produce some long-term capital growth• above market dividend yield as measured by the S&P/ASX 200 Accumulation Index.

PERPETUAL GLOBAL INNOVATION SHARE FUND

The investment approach and the investment guidelines of the Perpetual Global Innovation Share Fund (the **Fund**) have been modified as follows:

1. the Fund will be able to hold up to 30% of stocks that fall outside Perpetual's quality filters;
2. the Fund may use hedging with the aim of protecting the value of the Fund's assets;
3. the Fund may invest in convertible notes; and
4. the Fund may hold up to 25% in cash (up from 10% previously).

PERPETUAL GLOBAL INNOVATION FUND	CURRENT	NEW								
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 fundamental quality and valuation. 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 • recurring earnings. <p>A maximum of 10% will be held in companies that are expected to be profitable within one year of initial purchase.</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>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. 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 • recurring earnings. <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 hedging 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>								
Investment Guidelines	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Global shares</td> <td style="width: 30%;">90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table>	Global shares	90-100%	Cash	0-10%	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Global shares</td> <td style="width: 30%;">75-100%</td> </tr> <tr> <td>Cash</td> <td>0-25%</td> </tr> </table>	Global shares	75-100%	Cash	0-25%
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Cash	0-10%									
Global shares	75-100%									
Cash	0-25%									

UPDATE OF ASSET CLASSES CLASSIFICATION

The classification of asset classes that the Funds may invest in has been simplified – assets that were previously classified as “Enhanced cash” have been reclassified and included in the “Fixed income” asset class. As such, the “Enhanced cash” asset class category has been removed.

UPDATE TO MANAGEMENT COSTS

Estimated management costs including estimated performance fees and indirect costs have been updated. Please refer to pages 28-30 of the PDS for further information.

TAX ADDITIONAL INFORMATION

As the Funds have elected into the Attribution Managed Investment Trust (AMIT) regime, we have included additional information on the tax position of the Funds. Please see pages 41-42 of the PDS for more information

For a copy of the new PDS Issue Number 12, dated 25 November 2019, please visit our website at www.perpetual.com.au/wholesalefundsupdates or request a free copy by contacting us on 1800 022 033 within Australia or 0800 442 261 from New Zealand.

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MORE INFORMATION

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