

# Perpetual Investment Funds (formerly known as Perpetual Wholesale Funds)

We have updated and reissued the Product Disclosure Statement (PDS) for Perpetual Investment Funds (PDS issue 15 dated 1 October 2022). Effective on and from 1 October 2022, the following is a summary of the key changes reflected in the PDS. The updated PDS incorporates continuous disclosures published since the previous version, which can be found on the [Investment Funds Updates page](#).

## UPDATES TO FUND NAMES

We have changed the names of several funds offered in the Perpetual Investment Funds PDS. You can find the full details of the name changes in the continuous disclosure [flyer](#).

## OFFERING THE BARROW HANLEY GLOBAL SHARE FUND VIA A SEPARATE PDS

From 1 October 2022, the Barrow Hanley Global Share Fund will be offered via a separate PDS. As a result, it was removed from the Perpetual Investment Funds PDS. Please find a copy of the Barrow Hanley Global Share Fund – Class A PDS on our [website](#).

## UPDATES TO THE MAIN ASSET CLASSES DISCLOSURE

We have expanded the “Fixed income” asset class to include “Fixed income and credit”.

## UPDATES TO SIGNIFICANT RISKS DISCLOSURE

We have updated the ESG risks section to highlight the risks associated with different ESG approaches.

## UPDATES TO INVESTMENT STRATEGY RISKS DISCLOSURE

We have updated the Gearing risk section to include gearing exposure via the use of derivatives.

## UPDATES TO FUND PROFILES DISCLOSURE

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

PERPETUAL DYNAMIC FIXED INCOME FUND	CURRENT	NEW
<b>Objective</b>	Aims to provide: <ul style="list-style-type: none"> <li>capital stability and regular income by investing in a diversified range of income generating assets</li> <li>a positive return (before fees and taxes) irrespective of market conditions over rolling three-year periods</li> </ul>	Aims to provide: <ul style="list-style-type: none"> <li>regular income by investing in a diversified range of income generating assets</li> <li>a positive return (before fees and taxes) over rolling three-year periods</li> </ul>

	CURRENT	NEW
<b>Fund name</b>	Perpetual Ethical SRI Credit Fund	Perpetual ESG Credit Income Fund
<b>Objective</b>	Aims to provide regular income and consistent returns above the Bloomberg AusBond Bank Bill Index (before fees and taxes) over rolling three-year periods by investing in a diverse range of income generating, ethical and socially responsible assets.	Aims to provide regular income and consistent returns above the Bloomberg AusBond Bank Bill Index (before fees and taxes) over rolling three-year periods by investing in a diverse range of income assets that meet Perpetual’s ESG and values-based criteria.
<b>Investment Approach</b>	The Fund’s approach to delivering returns and managing risk is through an active and risk aware investment process which invests in a diversified core portfolio of liquid investment grade credit securities. Perpetual believes these assets provide investors with protection in times of market stress. When the environment is supportive Perpetual	The Fund’s investment process takes an active and risk aware approach by investing in a diversified core portfolio of liquid investment grade credit securities that meet Perpetual’s ESG and values-based criteria. Perpetual believes these assets provide investors with protection in times of market stress. Perpetual seeks to

	<p>seeks to enhance returns by taking more risk whether that be in maturity, credit rating or subordination. The Fund can also invest in alternative income generating securities such as infrastructure debt. This approach to portfolio construction is Perpetual's preferred method to deliver investors the highest possible risk adjusted returns.</p> <p>In addition to the above investment approach, Perpetual utilises a strategy for screening ethical and socially responsible investments (see 'Environmental, social, governance and ethical factors' in the 'Additional investment information' section). Derivatives may be used in managing the Fund</p>	<p>enhance returns by taking on more risk (in terms of maturity, credit rating or subordination) when favourable market conditions are present. The Fund can also invest in alternative income generating assets such as infrastructure debt.</p> <p>For more details on Perpetual's ESG and values-based criteria see 'Environmental, social, governance and ethical factors' in the 'Additional investment information' section'.</p> <p>Derivatives may be used in managing the Fund</p>
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	CURRENT	NEW
<b>Fund name</b>	Perpetual Ethical SRI Fund	Perpetual ESG Australian Share Fund
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and regular income through investment predominantly in quality shares of Australian ethical and socially responsible companies</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet Perpetual's ESG and values-based criteria</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>
<b>Investment Approach</b>	<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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>In addition to the above investment approach, Perpetual utilises a strategy for screening ethical and socially responsible investments (see 'Environmental, social, governance and ethical factors' in the 'Additional investment information' section).</p> <p>The Fund may have up to 20% exposure to investments in international shares.</p> <p>Derivatives may be used in managing the Fund.</p>	<p>The Fund seeks to invest in companies that represent the best investment quality, are appropriately priced and meet Perpetual's ESG and values-based criteria. Investment quality is determined based on four key criteria:</p> <ul style="list-style-type: none"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>For more details on Perpetual's ESG and values-based criteria see 'Environmental, social, governance and ethical factors' in the 'Additional investment information' section.</p> <p>The Fund may have up to 20% exposure to investments in international shares where we believe there are opportunities that may enhance returns.</p> <p>Derivatives may be used in managing the Fund.</p>

PERPETUAL GLOBAL INNOVATION SHARE FUND - CLASS A	CURRENT	NEW
<b>Objective</b>	<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>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide 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>
<b>Investment Approach</b>	Perpetual aims to achieve the above objectives by adopting a 'bottom-up' stock selection approach to	Perpetual aims to achieve the above objectives by adopting a 'bottom-up' stock selection approach to

	<p>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>	<p>investing, where the decision to buy or sell is based on a fundamental valuation of stocks, with an emphasis on what potential returns a company can generate.</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 companies with growth potential. Technology and innovation may include artificial intelligence, ecommerce, digitalisation and automation.</p> <p>The portfolio is constructed within a framework that is independent of the benchmark in terms of stock and sector weights and therefore the Fund's returns may vary significantly from the Benchmark's returns. 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> <p>The Fund's investment strategy will typically consist of between 20 and 60 stocks.</p>
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	CURRENT	NEW
<b>Fund name</b>	Perpetual Split Growth Fund	Perpetual Global Allocation Alpha Fund
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with long term capital growth through investment in a variable mix of Australian and international shares and other securities, with lower risk than 100% exposure to either asset class.</li> <li>outperform a composite benchmark (before fees and taxes) comprising the S&amp;P/ASX 300 Accumulation Index and the MSCI World ex Australia Accumulation Index (AUD) reflecting the Fund's allocation to the various asset types over rolling three-year periods.</li> </ul>	<p>Aim to achieve long-term capital growth and outperform the MSCI World ex Australia Net Total Return Index (AUD) with lower risk (before fees and taxes) over rolling three-year periods.</p>
<b>Investment Approach</b>	<p>The Fund may invest in Australian and international shares. The combination of assets held by the Fund at any time are those which we believe provide the greatest probability of achieving the investment objective over rolling three-year periods.</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.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p>	<p>The Fund predominately invests in global equities. It may utilise other securities to seek to minimise downside risk while maintaining participation in positive markets. This may include exposure to other asset classes, such as fixed income, credit, and commodities via derivatives and synthetic exposures.</p> <p>The combination of assets held by the Fund at any time are those which we believe provide the greatest probability of achieving the investment objective over rolling three-year periods.</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.</p> <p>Derivatives may be used in managing each asset class including to increase exposure within the investment guidelines. No money will be borrowed for investment</p>

		purposes. Uncovered derivative positions are not permitted.
<b>Investment guidelines</b>	International shares 45-100% Australian shares 0-35% Cash 0-20%	Global shares 70-120% Cash 0-30%

You can view the Perpetual Global Allocation Alpha Fund continuous disclosure [here](#).

PERPETUAL CONSERVATIVE GROWTH FUND	CURRENT	NEW
<b>Risk level</b>	5 – Medium to high	4 – Medium

PERPETUAL ESG REAL RETURN FUND	CURRENT	NEW
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>target a pre-tax return of 5% per annum above inflation (before fees and taxes) over rolling five-year periods</li> <li>achieve the return objective while minimising risks through investing in a diversified range of ethical and socially responsible assets.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>target a pre-tax return of 5% per annum above inflation (before fees and taxes) over rolling five-year periods</li> <li>achieve the return objective while minimising risks through investing in a diversified range of assets.</li> </ul>
<b>Investment Approach</b>	<p>The Fund will be a diversified portfolio of assets that are selected based on a range of sustainable, ethical and financial criteria.</p> <p>The Fund will seek to avoid those assets that do not meet stated screening guidelines (see ‘Environmental, social, governance and ethical factors’ in the ‘Additional investment information’ section for further information).</p> <p>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 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 predominately invests in a diversified portfolio of assets that meet Perpetual’s ESG and values-based criteria.</p> <p>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 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>For more details on Perpetual’s ESG and values-based criteria see ‘Environmental, social, and governance and ethical factors’ in the ‘Additional investment information’ section.</p>

## UPDATES TO ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) AND ETHICAL FACTORS DISCLOSURE

We have updated the Environmental, social, governance (ESG) and ethical factors section to include further details on our approach to ESG integration, ESG and values-based criteria and the processes and tools we use.

## UPDATES TO ESTIMATED ONGOING ANNUAL FEES AND COSTS DISCLOSURE

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The estimated ongoing annual fees and costs table has been updated for several funds showing the latest fees. The amounts shown in the following 'Estimated ongoing annual fees and costs' table include all management fees, estimated management costs, estimated performance fees and estimated transaction costs as at the date of the PDS.

#### **UPDATES TO MANAGEMENT FEES AND COSTS DISCLOSURE**

We have updated this section to include disclosure around the management fees and minimum initial investment amount for several Funds which have a separate class of units.

#### **UPDATES TO SWITCHES DISCLOSURE**

We have updated the Switches section allowing investors to switch all or part of their investment at anytime between the Fund and certain other funds where PIML is also the responsible entity using the Perpetual Investment Funds switch form.

For a copy of the new PDS issue number 15 dated 1 October, please visit our website at [www.perpetual.com.au/investmentfundsupdates](http://www.perpetual.com.au/investmentfundsupdates) or request a free copy by contacting us on 1800 022 033 during business hours (Sydney time)

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#### **More information**

Contact your financial adviser or call:

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