

PERPETUAL WHOLESALE FUNDS UPDATE

3 July 2020



UPDATES TO BUY AND SELL SPREADS FOR THE PERPETUAL FIXED INCOME FUNDS AND DIVERSIFIED 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?

As a consequence of the COVID-19 global pandemic, we have observed a sustained period of heightened volatility in credit markets. We have reviewed the appropriateness of current buy/sell spreads across our suite of funds and believe it is now necessary to make another adjustment in order to better reflect current market conditions. As we continue to see improved market conditions following broad based policy responses, both domestically and globally, to the COVID-19 pandemic from governments, central banks and regulators; we are reducing the buy/sell spreads for the fixed income and credit funds.

As the Perpetual Diversified funds have varying allocations to the 'Fixed income and credit' asset class, the resulting impacts to buy/sell spreads vary. We will continue to regularly review market conditions and make adjustments when necessary.

WHAT ARE THE NEW BUY/SELL SPREADS?

FIXED INCOME FUNDS

| FUND | APIR | PREVIOUS BUY/SELL SPREAD | | NEW BUY/SELL SPREAD EFFECTIVE 3 JULY 2020 |
|--|-----------|--------------------------|---|---|
| Perpetual Wholesale High Grade Treasury Fund | PER0562AU | 0.05%/0.09% | → | 0.05%/0.09% |
| Perpetual Wholesale Active Fixed Interest Fund | PER8045AU | 0.10%/0.30% | → | 0.10%/0.30% |
| Perpetual Wholesale Dynamic Fixed Income Fund | PER0557AU | 0.10%/0.33% | ↓ | 0.10%/0.23% |
| Perpetual Wholesale Diversified Income Fund | PER0260AU | 0.10%/0.35% | ↓ | 0.10%/0.20% |
| Perpetual Credit Income Fund | PER0263AU | 0.10%/0.35% | ↓ | 0.10%/0.20% |
| Perpetual Ethical SRI Credit Fund | PER1744AU | 0.10%/0.35% | ↓ | 0.10%/0.20% |
| Perpetual Pure Credit Alpha Fund* | PER0669AU | 0.25%/0.65% | → | 0.25%/0.65% |
| Perpetual High Grade Treasury Fund | PER0265AU | 0.05%/0.09% | → | 0.05%/0.09% |

**Withdrawals from this fund are processed on a monthly basis. For example, a withdrawal request received by 3:00pm on 30 June 2020 will be processed as at 1 August 2020 and using the exit price as at 1 August 2020. The buy/sell spread may change between now and 1 August 2020.*

DIVERSIFIED FUNDS

| FUND | APIR | PREVIOUS BUY/SELL SPREAD | | NEW BUY/SELL SPREAD EFFECTIVE 3 JULY 2020 |
|--|-----------|--------------------------|---|---|
| Perpetual Diversified Real Return Fund (Class W) | PER0556AU | 0.10%/0.14% | ↓ | 0.10%/0.13% |
| Perpetual Diversified Real Return Fund (Class Z) | PER6115AU | 0.10%/0.14% | ↓ | 0.10%/0.13% |
| Perpetual Wholesale Balanced Growth Fund | PER0063AU | 0.32%/0.00% | → | 0.32%/0.00% |
| Perpetual Wholesale Conservative Growth Fund | PER0077AU | 0.32%/0.00% | ↓ | 0.30%/0.00% |
| Perpetual Wholesale Diversified Growth Fund | PER0114AU | 0.31%/0.00% | → | 0.31%/0.00% |
| Perpetual Balanced Growth Fund No.2 | PER0013AU | 0.32%/0.00% | → | 0.32%/0.00% |

DOES PERPETUAL PROFIT FROM BUY/SELL SPREADS?

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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