



Perpetual Diversified Income Fund

 RESEARCHIP Rating



RIPPL Effect

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This report is based on publicly available information and/or data sourced directly from the Fund Manager.
Any views or opinions expressed in this document are believed to be accurate at the time of publishing.

[Glossary of Terms – please explain the jargon in this report](#)

1 April 2024

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Meet the Manager

Perpetual is an ASX-listed, diversified financial services company which has been serving Australians since 1886. A widely-recognised and respected financial services organisation, Perpetual is one of Australia’s largest wealth managers, an expert adviser to high net worth individuals, families and businesses, and a leading provider of corporate trustee services.

Perpetual Asset Management Australia is a dynamic, active manager, offering an extensive range of specialist investment capabilities including Australian and global equities, credit, fixed income, multi-asset as well as environmental, social and governance (ESG), designed to help meet the needs of clients across Australia and New Zealand. Further information on the Manager can be found in its [online profile](#).

Perpetual is a signatory to the United Nations Principles of [Responsible Investment](#) (UNPRI). Our Responsible Investment Policy applies to our employees responsible for making active investment decisions. These include investment analysts and portfolio managers, across strategies that cover Australian equities and other asset classes. It is our policy that consideration of environmental, social and corporate governance (ESG) factors are incorporated into our investment analysis and decision making; and ownership practices.

Perpetual has an [investment philosophy](#) where they actively manage investments based on fundamental research and analysis of quality, value and risk. Their aim is to choose the best quality investments at prices that represent good value, based on their potential risk and return.

Access the full range of [investment options here](#).



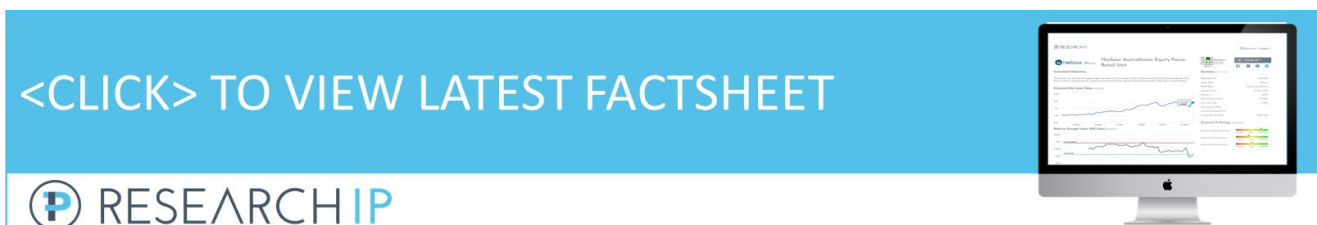

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MEET THE MANAGER VIDEO





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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 assets. The Funds 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.

Fund Description



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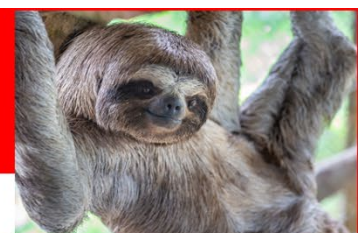
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Helping you
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The Fund's Profile

The Perpetual Diversified Income Fund ("the Fund") is an active, diversified portfolio of high quality, floating rate debt investments. The Fund is designed for investors seeking predictable outcomes – including above cash rate returns, consistent income and capital stability.

The Fund provides investors with the potential for regular income, above cash returns and lower volatility than other income strategies through an actively managed, highly diversified and liquid investment.

<Any missing data points have not yet been supplied by the manager>

Fund Information	Perpetual Diversified Income Fund
Who is ultimately accountable for the Fund performance?	Vivek Prabhu
Vivek is Head of Fixed Income and joined Perpetual in 2004. He has over 28 years of experience spanning accounting, finance, investments, governance and risk management. He has managed multi-billion dollar fixed income, credit and currency portfolios and his role involves credit analysis, trade execution and portfolio construction.	
When did the named individual(s) assume accountability?	
Is the Portfolio Manager invested in the Fund?	
Asset manager's full name	Perpetual Investment Management
ISIN Code	AU60PER02601
APIR Code	PER0260AU
Responsible Entity / Trustee / Supervisor	Perpetual Investment Management
Legal Domicile of the Fund	Australia
Legal Structure	Unit Trust
Is the Fund a registered NZ PIE structure?	No
Is the Fund closed to new or existing investors?	No
Product's investment style	Value
Manager's ownership structure	ASX Listed
How many years has this Manager been managing this asset class?	24
Country Registered for Sale	Australia
Date of the latest PDS	01/10/2022
The asset class that the Fund primarily invests in is	Bonds
Geographical focus of the Fund	Australia

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Under the Bonnet

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 Investment approach seeks to enhance returns by taking more risk whether that be in maturity, credit rating, subordination or gearing. The Fund can also invest in alternative income generating securities such as mortgages, infrastructure debt and private debt. This approach to portfolio construction is Perpetual's preferred method to deliver investors the highest possible risk adjusted returns.


Overview	Perpetual Diversified Income Fund
Product's public published benchmark	Bloomberg AusBond Bank Bill Index
The product's internal targeted excess return is	N/A
Minimum investment horizon	3+ years
Does the product charge a performance fee?	No
Product's performance fee	N/A
Hurdle before a performance fee is charged	N/A
Is there a high water mark?	N/A
Product's current buy spread	0.15%
Product's current sell spread	0.15%
Does the manager have the ability to change the Buy/Sell spread?	Yes
Distributions per year	Quarterly
Distribution Dates	Mar 31, Jun 30, Sep 30, Dec 31
Normal pricing frequency	Daily
Product inception date	13/10/2005
Strategy inception date	12/10/2005

Management Fees	Historic	Estimate
GST – inclusive or exclusive?		inc GST
Management Fee (MER) / Manager's basic fee		0.59%
Other Fees and Costs		0.01%
Performance Fee		N/A
Total Fund Charges (i.e. TER/ICR)		0.60%
Date		01/11/2023

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Does Size Matter?


FUM	Perpetual Diversified Income Fund	@Date
Fund currency	AUD	
Current size of the Fund (\$) AUD	\$1,681,591,741	31/03/2024
Current FUM in the strategy, including mandates (\$m)	\$2,654,149,608	31/03/2024
Current total FUM of the Manager (\$m)	\$23,814,395,971	31/03/2024

 See our view on the Research IP blog [Does Size Matter](#). The investible universe for a fund can be limited by some or all of these attributes:



- Asset class (e.g. cash, bonds, shares etc)
- Geography (e.g. Australia, New Zealand, global etc)
- Size of issue (e.g. minimum issue size of bonds, market capitalisation of shares)
- Liquidity
- or other factors like credit ratings, issuer types etc.

The Downside

The Manager is aware of the broad range of risks, as identified in the [Product Disclosure Statement \(PDS\)](#), and is mindful of them when constructing and managing the portfolio.


 Investors should note that all investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. See our views on [what investment risks to look out for](#) on the Research IP blog.

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Is it Ticking?

 Responsible investing has become front of mind for many investors, but there is a minefield of green washing out there. We share the views of the Research IP team on sustainable investing, the 17 Sustainable Development Goals (SDGs), Environmental, Social and Governance (ESG) considerations and the United Nations Principles for Responsible Investment (UN PRI) on the [Research IP blog](#).

ESG Information	Perpetual Diversified Income Fund
Which EU Sustainable Finance Disclosure Regulation (SFDR) classification best describes this product?	Not Classified
Is the Manager a signatory to the UNPRI?	Yes
UNPRI Rating : Strategy & Governance	3 Stars
UNPRI Rating : Listed Equity – Incorporation	N/A
UNPRI Rating : Listed Equity – Active Ownership	N/A
Are the UN Sustainable Development Goals considered in the investment process?	No
Does the Manager incorporate ESG factors into analysis and decisions?	Yes
Does the Manager implement negative screening?	No
Does the Manager implement positive, best-in-class or norms-based screening?	No
Does the Manager focus specifically on sustainability themed investments?	No
Does the Manager invest for impact? i.e. target non-financial outcomes that are intentional, measurable and additional.	No
Does the Manager integrate corporate engagement and proxy voting into their investment approach?	Yes
Is the Fund RIAA Certified?	No
RIAA Primary Investment Approach	Not RIAA certified
RIAA Secondary Investment Approach	Not RIAA certified
Link to RIAA Fund Profile	N/A
Link to Disclose information on Sorted (NZ only)	N/A
Link to Mindful Money (NZ only)	N/A

You can find fund manager [Public Signatory Reports](#) on the UNPRI site.

Check the Pulse

Philosophy & Process	Perpetual Diversified Income Fund
Research Philosophy Top down market screening with bottom-up fundamental analysis	
Guidelines for filtering the universe The quality filter encompasses the Team's proprietary research and is complemented with external inputs to ensure robust analysis. The team's proprietary research incorporates the Team and individual analyst views and research and includes the impact of any issuer or investor updates. The research is also used as a risk management measure in that by completing this research we are able to screen out downside risk. An advantage for the Team is the access to Perpetual's equities analysts and their research to complement and provide any further insight on common issuers.	
Research Approach The Team's research and screening process consists of top-down screening and bottom-up research. The process provides the Team's risk appetite and matrix of preferences and a list of approved issuers that are to be considered for inclusion in the portfolio.	
Specific inputs to the research process N/A	
Third party inputs used	"Where appropriate, our internal research is complemented with external inputs including subscribing to
Primary valuation approach	CreditSights, an independent global research firm, reviewing broker research and ratings reports."
Secondary valuation approach (if applicable)	Relative Value
In constructing the portfolio the manager is...	N/A
Biases present in the product	Benchmark Unaware
Number of securities in the investment universe	Regular income
Number of securities fully researched	N/A
Typical number of holdings in the portfolio	N/A
Anticipated portfolio turnover	100-140
Typical level of cash held in the portfolio?	100-200%

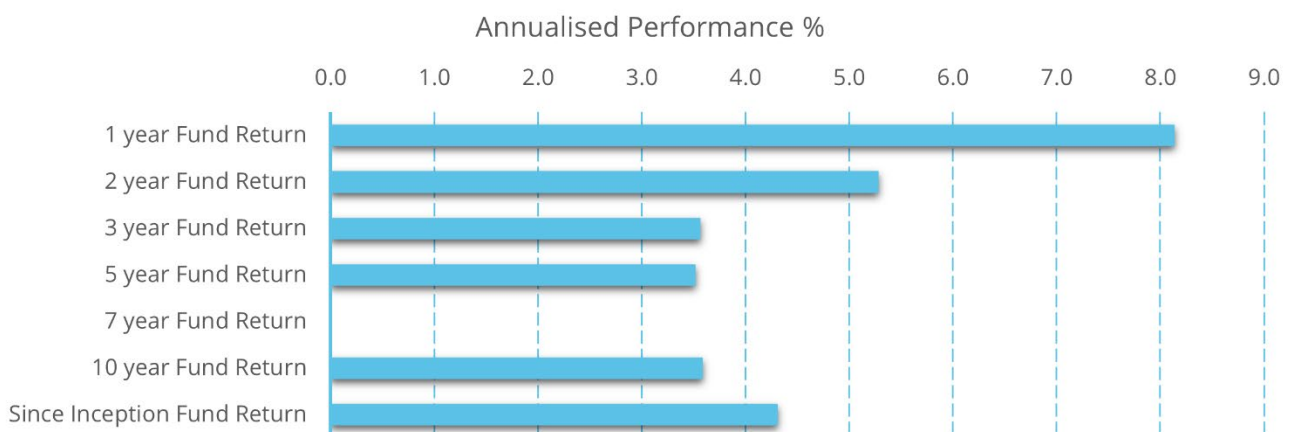
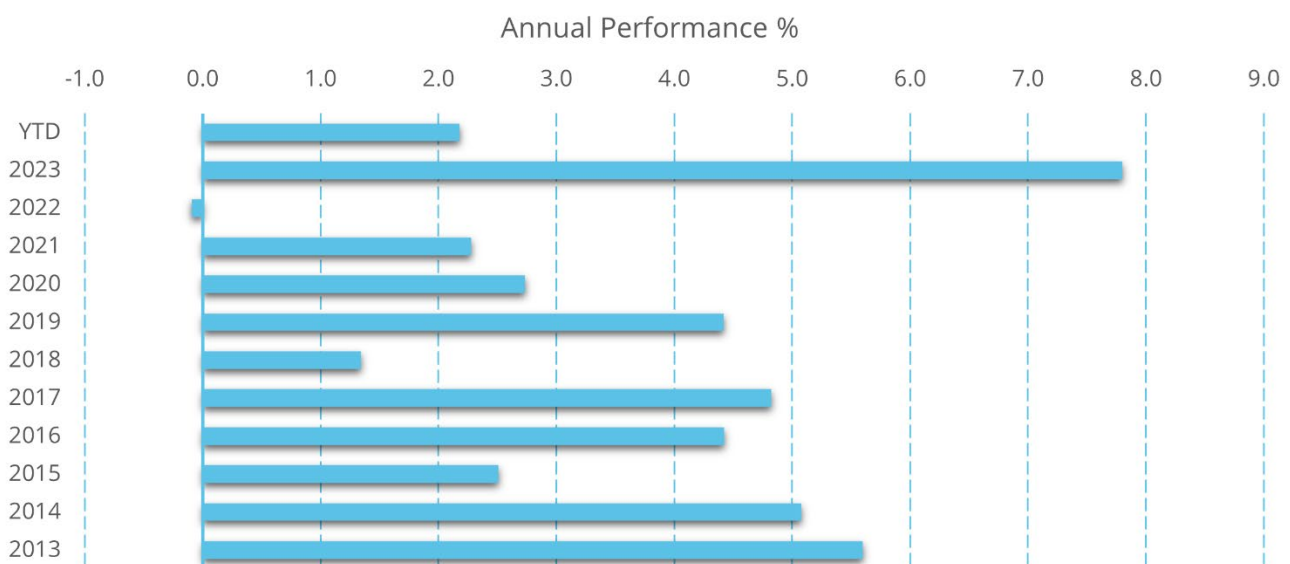
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Is it Working?

Performance	Perpetual Diversified Income Fund
"Performance to" date	31/03/2024
Inception date of the performance?	12/10/2005
Negative Months (3 Years)	
Negative Months (5 Years)	
Negative Months (7 Years)	
Negative Months (10 Years)	
Max Gain Since Inception	
Max Loss Since Inception	
Max Drawdown Since Inception	
Volatility (3 Years)	
Beta (3 Years)	0.104
Sharpe (3 Years)	0.87



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The second opinion

 [Click here to access the full qualitative research report on this fund](#)

Qualitative Fund Research

**Perpetual Diversified
Income Fund**

23 April 2024

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Our experience has been gained in well over 20 years of roles across different facets of the industry, so we understand the key drivers and challenges for people trusted with the management of investments.

Client focused outcomes are underpinned by the belief that the role of business model innovation and accelerating technological change opens up new possibilities, to put client interests at the centre of the financial services industry focus. We have strong philosophical alignment with John Hagel's work on the possibilities for "Disruption by Trusted Advisors" and John Kay's views in "Other People's Money: Masters of the Universe or Servants of the People".

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- Platform and Financial Adviser Software reviews
- Fee negotiations for better client outcomes
- Investment committee terms of reference / charter
- Investment committee skills assessment
- Investment policy development
- Investment committee implementation review
- Chair or independent investment committee member
- Investment manager review
- Investment manager / adviser selection
- Quarterly reporting and commentary
- Sustainability and ESG policy development
- Sustainability and ESG investment selection / implementation of strategies.

If you would like to discuss one or a number of these consulting services, please contact info@research-ip.com.

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