

Perpetual knowledge bank series: dividend reinvestment plan

5 October 2021



A dividend reinvestment plan (DRP) is a program offered by listed companies that allows existing shareholders to reinvest their cash dividends into additional shares. This may be a convenient way for some investors to increase their shareholding by reinvesting a portion or all of their dividends.

Participation in any DRP is voluntary and investors may apply to participate, change their level of participation, or choose not to participate in the DRP at any time, subject to the notice periods outlined by the publicly traded entity. Shares are issued or transferred to the shareholder at a price based on the market price and, if the DRP applies to a dividend, there will be the option of receiving shares, a combination of shares and cash, or cash only. There is no additional cost, brokerage fee or other administration charge to participate in a DRP.

As an example, the Perpetual Equity Investment Company Limited Dividend Reinvestment Plan gives investors the flexibility to receive some or all of their dividends in the form of shares rather than cash, which is an efficient way of increasing their investment stake. Some other features are:

- Shares allocated under the DRP are free of brokerage, commission and stamp duty costs.
- Shares may be issued at a discount to the market price of the Company's shares.
- Shares issued under the DRP rank equally with existing shares.
- You can participate, vary your participation or withdraw from the DRP at any time. Your application form must be received by the share registry by 5.00 pm Sydney time on or before the first business day following the record date to be active for the next dividend payment.
- A dividend statement outlining the dividend calculation and the details of any new shares allocated to you under the DRP will be despatched on the payment date for the relevant dividend.

For more information including key features and FAQs, please [click here](#).

This analysis has been prepared by [Perpetual Investment Management Limited \(PIML\)](#) ABN 18 000 866 535, AFSL 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

The information is believed to be accurate at the time of compilation and is provided in good faith. This document may contain information contributed by third parties. PIML and PSL do not warrant the accuracy or completeness of any information contributed by a third party. Any views expressed in this document are opinions of the author at the time of writing and do not constitute a recommendation to act.

The product disclosure statement (PDS) for the Perpetual Diversified Income Fund issued by PIML, should be considered before deciding whether to acquire or hold units in the fund. The PDS and Target Market Determination can be obtained by calling 1800 022 033 or visiting our website <http://www.perpetual.com.au>.

No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance.