
Perpetual WealthFocus Super Plan and Pension Plan

Investment Book

INVESTMENT BOOK
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Perpetual 

Important notes

This Investment Book is issued by Equity Trustees Superannuation Limited for Perpetual WealthFocus Super Plan and Perpetual WealthFocus Pension Plan and forms Part 2 of:

- Product Disclosure Statement issue number 17 dated 12 May 2025 for Perpetual WealthFocus Super Plan
- Product Disclosure Statement issue number 17 dated 12 May 2025 for Perpetual WealthFocus Pension Plan.

You should read this Investment Book carefully together with the PDS Features Book for the relevant product before making a decision to invest. If you haven't received both parts of the PDS, please contact us (see inside back cover for contact details).

A reference in this document to 'we', 'our' and 'us' is a reference to Equity Trustees Superannuation Limited as trustee of Perpetual WealthFocus Super Plan and Perpetual WealthFocus Pension Plan.

All terms used in this Investment Book have the same meaning as in the Product Disclosure Statement Features Book for Perpetual WealthFocus Super Plan and for Perpetual WealthFocus Pension Plan.

The information in this document is of a general nature only and does not take into account any investor's particular investment objectives, financial situation or needs. Before you invest, you should read all of the documents that form part of the PDS for the relevant product and assess whether a particular investment option is appropriate for you.

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Main asset classes available

The main asset classes in which you can invest via WealthFocus are summarised in the following table.

The main asset classes

Asset class	Description of investment
Cash	Cash investments include bank accounts, discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans. Cash generally provides a rate of return in line with short-term interest rates. ¹
Commodities	Commodities are raw materials or primary agricultural products such as precious metals, oil and natural gas, and wheat.
Fixed income and credit	<p>Fixed income instruments are securities issued by an issuer for a pre-determined period. The issuers may include governments, banks, corporations and asset backed trusts. The instruments when issued usually provide a return in the form of defined periodic income payments and the return of principal at maturity. These income payments are either fixed when issued or set periodically against a benchmark.</p> <p>Credit instruments are income generating securities such as corporate debt, mortgages, infrastructure debt, private debt, asset backed and debt-like hybrid securities, discount securities and sub-investment grade securities that have higher credit risk and less liquidity than cash and fixed income investments.</p>
Property	A property investment involves buying shares that represent a portion of ownership in a property related security, buying units in a listed or unlisted property trust or buying property directly. Property investments can be in a range of sectors including commercial, industrial, residential and retail. Returns are usually generated from rental income and changes in the value of the underlying properties.
Infrastructure	Infrastructure involves investing by purchasing equity or debt securities in large projects that provide facilities and services needed by the community (eg transport, power, roads, telecommunications or water supply), or in other capital intensive assets (eg timberland and regional infrastructure). The return on an infrastructure equity investment generally includes capital growth (or loss) and income. Alternatively, infrastructure debt securities pay regular interest similar to that of other fixed income investments.
Shares	Shares represent a portion of ownership in a company. Shareholders can benefit if a company passes on some of its profits to them through dividends and/or from capital growth if the share price rises.
Other investments	Other investments refer to a range of investments that do not fall within the asset classes listed above. They can include but are not limited to, absolute return funds, hedge fund replication strategies, infrastructure, insurance-linked strategies, mortgages (including mezzanine mortgages), real return strategies, specialist credit, structured products and private market investments. Exposure to other asset classes aims to enhance the fund's diversification.
Multi Asset	Multi Asset investments use a diverse mix of asset classes combined within a single fund. The asset allocation is actively managed according to the specified return and funds' allocation to growth or defensive investments. Asset classes can include but are not limited to the ones described above.

¹ This general definition of cash may differ for various investment options – see relevant footnotes in the 'Investment option profiles' section.

Investment options

Summary of investment options

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Investment structure

All investment options invest in assets either directly or indirectly via underlying managed funds that in turn invest in various asset classes in accordance with the investment option's investment guidelines.

Where an investment option invests indirectly, the investment option mirrors the objective and investment approach of its corresponding underlying fund (see 'Asset allocations and investment performance' in the 'Additional investment information' section for further information).

Investment option profiles

The following investment option profiles provide a summary of the investment options offered within WealthFocus.

About the investment option profiles

The following information explains certain terms and concepts detailed in the investment option profiles.

Term	Explanation		
Category	This indicates the type of fund and/or main asset class(es) in which the investment option predominantly invests (see the ‘Main asset classes available’ section for further information).		
Investment option name	The investment option name generally reflects the name of the underlying fund into which the investment option invests.		
Investment manager	This is the investment manager that manages the underlying fund’s assets (see ‘Investment managers’ in the ‘Additional investment information’ section for further information).		
Risk level	The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.		
	Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
	1	Very low	Less than 0.5
	2	Low	0.5 to less than 1
	3	Low to medium	1 to less than 2
	4	Medium	2 to less than 3
	5	Medium to high	3 to less than 4
	6	High	4 to less than 6
	7	Very high	6 or greater
	The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.		
Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).			
The SRMs for the investment options may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations. Any changes to SRMs at any time will be available at www.perpetual.com.au/wealthfocus-super-updates and/or www.perpetual.com.au/wealthfocus-pension-updates (as applicable).			
Suggested length of investment	This is a guide only and not a recommendation. You should discuss your investment in the investment option(s) with your financial adviser to ensure that it meets your needs.		
Objective	The objective is a summary of what the investment option aims to achieve. It is possible that the investment option may not achieve the stated objective.		
Investment approach	This is the method or principles that the investment manager uses to manage the investment option to meet its objectives.		
Investment guidelines	This provides an indication of what the investment option will invest in directly or indirectly.		

Further information

For more details and any updated information about any of the investment options, visit www.perpetual.com.au or contact us.

- the transaction costs and buy/sell spread for each of the investment options (see the relevant Features Book for further information)
- details of current underlying investment managers.

Suitability

Each investment option is designed for investors with the appropriate risk level, investment timeframe and objective, as set out in the profiles.

Additional information

The following additional information, which forms part of each PDS, is available at www.perpetual.com.au/wealthfocus-super-updates and/or www.perpetual.com.au/wealthfocus-pension-updates (see the relevant PDS Part 1 Features Book for details) or can be obtained free of charge by contacting us:

Investment option profiles

Category	Cash
Investment option name	Perpetual Cash
Investment manager	Perpetual Investment Management Limited (PIML)
Risk level	1 – Very low
Suggested length of investment	No minimum
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide investors with capital stability, regular income and easy access to funds by investing in deposits, money market and fixed income securities outperform the Bloomberg AusBond Bank Bill Index (before fees and taxes) on an ongoing basis.
Investment approach	<p>PIML aims to achieve the objective by:</p> <ul style="list-style-type: none"> actively managing the portfolio with respect to the future course of interest rates actively managing for changes in the level of interest rates and credit margins amongst individual securities with different maturities diversifying the fund amongst different securities issued by various borrowers.
Investment guidelines	Cash 100%

Category	Fixed income and credit
Investment option name	Perpetual Diversified Income
Investment manager	Perpetual Investment Management Limited
Risk level	3 – Low to medium
Suggested length of investment	Three years or longer
Objective	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 assets.
Investment approach	<p>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. PIML believes these assets provide investors with protection in times of market stress. When the environment is supportive PIML seeks to enhance returns by taking more risk whether that be in maturity, credit rating or subordination. This approach to portfolio construction is PIML's preferred method to deliver investors the highest possible risk adjusted returns. Derivatives may be used in managing the fund.¹</p>
Investment guidelines	<p>Cash and investment grade securities² 75-100%</p> <p>Sub-investment grade securities³ and non-rated securities. 0-25%</p>

Category	Fixed income and credit	
Investment option name	Schroder Fixed Income	
Investment manager	Schroder Investment Management Australia Limited	
Risk level	5 – Medium to high	
Suggested length of investment	Three years or longer	
Objective	Aims to outperform the Bloomberg AusBond Composite 0+Yr Index after fees over the medium term.	
Investment approach	<p>The fund is a benchmark aware strategy that actively invests across the broad fixed income opportunity set. It seeks to deliver high quality income via a range of return sources, to provide diversification with a low to medium risk and return profile, and daily liquidity.</p> <p>While the bulk of returns are expected to come from income generated by Australian investment grade assets, the fund invests in a range of domestic and international fixed income securities, diversifying its exposures across geography, issuer type, maturity, ratings grade and capital structure dimensions. Asset allocations are supplemented by derivatives to control for interest rate, inflation and credit risk via a robust risk framework.</p> <p>The most critical element of the investment process is to identify which assets to own and when to own them. This is then complemented by extensive research and expertise in individual security selection, with sustainability considerations integrated throughout the process.</p> <p>The targeted result is a high quality income generating strategy which is broadly diversified with low correlation to equity markets.</p>	
Investment guidelines	Australian investment grade Global investment grade ⁴ Australian high yield ⁵ Global high yield ^{4, 5} Cash	20-100% 0-50% 0-20% 0-20% 0-50%

Category	Fixed income and credit	
Investment option name	Vanguard Australian Fixed Interest Index	
Investment manager	Vanguard Investments Australia Ltd	
Risk level	5 – Medium to high	
Suggested length of investment	Three years	
Objective	Seeks to track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.	
Investment approach	The fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, investment-grade corporate issuers as well as overseas entities that issue debt in Australia, in Australian dollars. While being low cost, the fund also provides some protection against capital volatility.	
Investment guidelines	Australian fixed interest	100%

Category	Property and Infrastructure	
Investment option name	Lazard Global Listed Infrastructure	
Investment manager	Lazard Asset Management Pacific Co	
Risk level	7 – Very high	
Suggested length of investment	Five years or longer	
Objective	Aims to achieve total returns (comprising income and capital appreciation and before the deduction of fees and taxes) that outperform inflation, as measured by the Australian Consumer Price Index, by 5% pa over rolling five-year periods.	
Investment approach	<p>Lazard is a valuation manager, embracing fundamental analysis to support a bottom-up stock selection style. Lazard's approach to stock selection is based on identifying companies that are trading at a discount relative to Lazard's assessment of their intrinsic value. The more attractive shares in Lazard's preferred infrastructure universe generally populate the portfolio, taking into account portfolio construction guidelines. These guidelines are designed to ensure diversification among infrastructure sectors, countries and regions as well as to avoid concentration to any one company.</p> <p>Lazard will substantially hedge the foreign currency exposures in the portfolio back to the Australian dollar.</p>	
Investment guidelines	Infrastructure securities	95-100%
	Cash	0-5%

Category	Property and Infrastructure	
Investment option name	Vanguard Australian Property Securities Index	
Investment manager	Vanguard Investments Australia Ltd	
Risk level	6 – High	
Suggested length of investment	Seven years	
Objective	Seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.	
Investment approach	The fund provides a low-cost way to invest in property securities listed on the Australian Securities Exchange. The property sectors in which the fund invests include retail, office, industrial and diversified. The fund offers potential long-term capital growth and tax-effective income that may include a tax-deferred component.	
Investment guidelines	Australian property securities	100%

Category	Australian shares	
Investment option name	Ausbil Australian Active Equity	
Investment manager	Ausbil Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	To achieve returns (before fees and taxes) in excess of the benchmark (S&P/ASX 300 Accumulation Index) over the medium to long term with moderate tax effective income. There is no guarantee that this objective will be achieved. The fund predominately invests in a portfolio of listed large cap Australian equities which are primarily chosen from the S&P/ASX 300 Index.	
Investment approach	The broad investment philosophy is that active management of portfolios facilitates consistent and risk controlled outperformance. Rather than focus only on growth or value investing, the investment processes allow the investment manager to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.	
Investment guidelines	Australian shares	90-100%
	Cash	0-10%

Category	Australian shares	
Investment option name	Fidelity Australian Equities	
Investment manager	FIL Investment Management (Australia) Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	Aims to achieve returns in excess of the S&P/ASX 200 Accumulation Index over the medium to long term.	
Investment approach	Fidelity seeks out stocks that it believes are undervalued and likely to generate growth. The companies selected for the portfolio typically demonstrate good management, strong competitive advantages and enjoy favourable industry dynamics.	
Investment guidelines	Australian securities Cash and cash equivalents	90-100% 0-10%

Category	Australian shares	
Investment option name	Investors Mutual Australian Share	
Investment manager	Investors Mutual Limited	
Risk level	6 – High	
Suggested length of investment	Four to five years	
Objective	Aims to provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark S&P/ASX 300 Accumulation Index on a rolling four-year basis.	
Investment approach	The fund will invest in a diversified portfolio of quality ASX listed Australian industrial and resource shares, where these shares are identified by their investment team as being undervalued.	
Investment guidelines	Australian shares Cash	90-100% 0-10%

Category	Australian shares	
Investment option name	Perpetual Australian Share	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	Aims to: <ul style="list-style-type: none"> provide long-term capital growth and regular income through investment predominantly in quality Australian industrial and resource shares outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	PIML researches companies of all sizes using consistent share selection criteria. PIML'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: <ul style="list-style-type: none"> conservative debt levels sound management quality business and recurring earnings. The fund may have up to 20% exposure to investments in international shares where PIML believes there are opportunities that may enhance returns. ⁶ Derivatives may be used in managing the fund. ⁷	
Investment guidelines	Australian shares ⁶ Cash	90-100% 0-10%

Category	Australian shares	
Investment option name	Perpetual Concentrated Equity	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment predominantly in quality Australian industrial and resource shares • outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML researches companies of all sizes using consistent share selection criteria. PIML'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"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>The fund may have up to 20% exposure to investments in international shares where PIML believes there are opportunities that may enhance returns.⁶</p> <p>The fund's investment portfolio will typically consist of between 20 and 45 stocks.</p> <p>Derivatives may be used in managing the fund.⁷</p>	
Investment guidelines	<p>Australian shares⁶</p> <p>Cash</p>	<p>90-100%</p> <p>0-10%</p>

Category	Australian shares	
Investment option name	Perpetual ESG Australian Share	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and regular income through investment predominantly in quality Australian shares that meet PIML's ESG and values-based criteria • outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML seeks to invest in companies that represent the best investment quality, are appropriately priced and meet PIML's ESG and values-based criteria.</p> <p>Investment quality is determined based on four key criteria:</p> <ul style="list-style-type: none"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>For more details on PIML'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 PIML believes there are opportunities that may enhance returns.⁶</p> <p>Derivatives may be used in managing the fund.^{8,9}</p>	
Investment guidelines	<p>Australian shares⁶</p> <p>Cash</p>	<p>90-100%</p> <p>0-10%</p>

Category	Australian shares	
Investment option name	Perpetual Geared Australian Share	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Seven years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> enhance long-term capital growth through borrowing (gearing) to invest predominantly in quality Australian industrial and resource shares outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML researches companies of all sizes using consistent share selection criteria. PIML'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"> conservative debt levels sound management quality business and recurring earnings. <p>The gearing level of the fund must be kept within pre-determined guidelines. Within these, PIML aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income.</p> <p>The fund may have up to 20% exposure to investments in international shares where PIML believes there are opportunities that may enhance returns.¹⁰</p> <p>Derivatives may be used in managing the fund, including for gearing purposes.⁸</p>	
Investment guidelines	<p>Australian shares⁶ 90-100%</p> <p>Cash 0-10%</p> <p>Gearing level¹¹ 0-60%</p>	

Category	Australian shares	
Investment option name	Perpetual Industrial Share	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide long-term capital growth and regular income through investment predominantly in quality industrial shares outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML researches companies of all sizes using consistent share selection criteria. PIML'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"> conservative debt levels sound management quality business and recurring earnings. <p>The fund may have up to 10% exposure to investments in international shares where PIML believes there are opportunities that may enhance returns.¹²</p> <p>Derivatives may be used in managing the fund.⁸</p>	
Investment guidelines	<p>Industrial shares¹² 90-100%</p> <p>Cash 0-10%</p>	

Category	Australian shares	
Investment option name	Perpetual SHARE-PLUS Long-Short	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in quality shares and taking short positions predominantly in selected Australian shares⁶ • outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML researches companies of all sizes using consistent share selection criteria. PIML'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"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>In addition, PIML aims to take short positions predominantly in Australian shares⁶ that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions).</p> <p>The fund may have up to 20% exposure to investments in international shares where PIML believes there are opportunities that may enhance returns.⁶</p> <p>The fund may have up to 10% exposure to short positions in international shares.¹³</p> <p>Derivatives may be used in managing the fund.⁷</p>	
Investment guidelines	<p>Australian shares⁶</p> <p>Short positions¹³</p> <p>Australian shares⁶ (net)¹³</p> <p>Cash</p>	<p>90-125%</p> <p>0-25%</p> <p>65-100%</p> <p>0-35%</p>

Category	Australian shares	
Investment option name	Perpetual Smaller Companies	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in quality Australian industrial and resource shares which, when first acquired, do not rank in the S&P/ASX 50 Index • outperform the S&P/ASX Small Ordinaries Accumulation Index (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>PIML researches companies of all sizes using consistent share selection criteria. PIML'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"> • conservative debt levels • sound management • quality business and • recurring earnings. <p>Derivatives may be used in managing the fund.⁷</p>	
Investment guidelines	<p>Australian smaller company shares¹⁴</p> <p>Cash</p>	<p>80-100%</p> <p>0-20%</p>

Category	Australian shares	
Investment option name	Vanguard Australian Shares Index	
Investment manager	Vanguard Investments Australia Ltd	
Risk level	6 – High	
Suggested length of investment	Seven years	
Objective	Seeks to track the return of the S&P/ASX 300 Index before taking into account fees, expenses and tax.	
Investment approach	The fund provides low costs, broadly diversified exposure to Australian companies and property trusts listed on the Australian Securities Exchange. It also offers potential long-term capital growth along with dividend income and franking credits.	
Investment guidelines	Australian shares	100%

Category	International shares	
Investment option name	Barrow Hanley Global Share	
Investment manager	Barrow, Hanley, Mewhinney & Strauss, LLC	
Risk level	6 – High	
Suggested length of investment	Seven years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide long-term capital growth through investment in quality global shares • outperform the MSCI World Net Total Return Index (AUD) (before fees and taxes) over rolling three-year periods. 	
Investment approach	<p>The investment manager strives to achieve the fund's objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.</p> <p>The investment manager aims to select the most attractive securities to construct a well-diversified, active portfolio that seeks to provide asymmetrical returns by participating in up markets while aiming to protect in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as:</p> <ul style="list-style-type: none"> • price/earnings ratios below the market • price/book ratios below the market • enterprise value/free cash flow ratios below the market • dividend yields above the market. <p>The fund will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets.</p> <p>The fund will not invest in companies that are directly involved in tobacco production, where tobacco production accounts for 10% or more of a company's gross revenue.</p> <p>The currency exposure in the fund is unhedged.</p>	
Investment guidelines	Global shares ¹⁵	95-100%
	Cash ¹⁶	0-5%

Category	International shares	
Investment option name	Magellan Global	
Investment manager	Magellan Asset Management Limited	
Risk level	7 – Very high	
Suggested length of investment	Seven to ten years	
Objective	<p>Aims to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.</p> <p>A further aim is to deliver 9% p.a. net of fees over the economic cycle.</p>	
Investment approach	<p>The investment manager aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. The investment manager endeavours to acquire these companies at discounts to their assessed intrinsic value. The fund's portfolio will comprise 20 to 40 investments. The investment manager believes such a portfolio will achieve sufficient diversification to ensure the fund is not overly correlated to a single company, or to industry specific or macroeconomic risks.</p> <p>The fund will typically not invest in individual companies with a market capitalisation of less than US\$5 billion at the time of investment.</p> <p>It is not the investment manager's intention to hedge the foreign currency exposure of the fund arising from investments in overseas markets.</p>	
Investment guidelines	Global listed securities	90-100%
	Cash and cash equivalents	0-10%

Category	International shares	
Investment option name	MFS Global Equity	
Investment manager	MFS International Australia Pty Ltd	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • seek capital appreciation over the longer term by investing in a diversified portfolio of global shares • outperform its benchmark (MSCI World Index with net dividends reinvested before fees) unhedged over a full market cycle, before taking into account fees, taxes and expenses. 	
Investment approach	<p>In selecting investments, MFS is not constrained by any particular investment style. MFS may invest the assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS uses an active bottom-up investment approach to buying and selling investments. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability.</p>	
Investment guidelines	Global equities	90-100%
	Cash and cash equivalents	0-10%

Category	International shares	
Investment option name	Perpetual Global Allocation Alpha	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Objective	Aims to provide 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.	
Investment approach	<p>The fund predominantly 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 PIML believes 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 purposes. Uncovered derivative positions are not permitted.¹⁷</p>	
Investment guidelines	Global shares ¹⁸	70-120%
	Cash	0-30%

Category	International shares	
Investment option name	T. Rowe Price Global Equity	
Investment manager	T. Rowe Price Australia Limited	
Risk level	6 – High	
Suggested length of investment	Five to seven years or longer	
Objective	Aims to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed on recognised exchanges and/or markets of developing countries. The fund's benchmark is the MSCI All Country World Index ex-Australia (unhedged).	
Investment approach	<p>T. Rowe Price leverages the proprietary fundamental research and analysis performed by the organisation's integrated worldwide network of more than 400 equity investment professionals to identify highly recommended companies.</p> <p>T. Rowe Price engages equity investment professionals to identify superior investment ideas, assess opportunities in a global sector context, overlay macroeconomic and local market factors to refine industry and company analysis, and select what they believe to be investments with the most attractive risk-reward characteristics. The portfolio manager applies judgment to construct a global portfolio of the highest-conviction and most alpha-rich investment ideas while managing risk exposure at both the individual name and portfolio level. The result is a focused portfolio consisting of, typically, 150–200 of the most compelling global investment ideas.</p> <p>The fund's foreign currency exposures may be hedged. These hedges will not be made against the Australian dollar but rather will generally be made against the US dollar. The investment manager does not anticipate hedging to be a permanent feature of the fund nor view currency as a primary source of generating returns.</p>	
Investment guidelines	Global equities	90-100%
	Cash	0-10%

Category	International shares	
Investment option name	Vanguard International Shares Index	
Investment manager	Vanguard Investments Australia Ltd	
Risk level	6 – High	
Suggested length of investment	Seven years	
Objective	Seeks to track the return of the MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.	
Investment approach	The fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The fund is exposed to fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.	
Investment guidelines	International shares	100%

Category	International shares	
Investment option name	Vanguard International Shares Index (Hedged)	
Investment manager	Vanguard Investments Australia Ltd	
Risk level	6 – High	
Suggested length of investment	Seven years	
Objective	Seeks to track the return of the MSCI World ex-Australia Index (with net dividends reinvested) hedged into Australian dollars before taking into account fees, expenses and tax.	
Investment approach	The fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The fund is hedged to Australian dollars so the value of the fund is relatively unaffected by currency fluctuations.	
Investment guidelines	International shares	100%

Category	Multi Asset - conservative	
Investment option name	Perpetual Conservative Growth	
Investment manager	Perpetual Investment Management Limited	
Risk level	4 – Medium ¹⁹	
Suggested length of investment	Three years or longer	
Objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash and fixed income securities • outperform the All Groups CPI + 3.5% pa (before fees and taxes) over at least two-year periods • outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods. 	
Investment approach	<p>The fund invests in a diverse mix of growth, defensive and other investments, with a focus on cash and fixed income securities.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</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>Derivatives and exchange traded funds may be used in managing each asset class.⁷</p>	
Investment guidelines	<p>Australian shares²⁰</p> <p>International shares²⁰</p> <p>Property</p> <p>Fixed income and credit²¹</p> <p>Cash</p> <p>Other investments</p>	<p>0-25%</p> <p>0-20%</p> <p>0-10%</p> <p>15-65%</p> <p>5-55%</p> <p>0-30%</p>

Category	Multi Asset - balanced													
Investment option name	Perpetual Diversified Growth													
Investment manager	Perpetual Investment Management Limited													
Risk level	6 – High													
Suggested length of investment	Three years or longer													
Objective	<p>Aims to:</p> <ul style="list-style-type: none">• provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets• outperform the All Groups CPI + 4.5% pa (before fees and taxes) over at least three-year periods• outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.													
Investment approach	<p>The fund invests in a diverse mix of growth, defensive and other investments, with a focus on cash and fixed income securities.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</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>Derivatives and exchange traded funds may be used in managing each asset class.⁷</p>													
Investment guidelines	<table><tr><td>Australian shares²⁰</td><td>10-35%</td></tr><tr><td>International shares²⁰</td><td>10-30%</td></tr><tr><td>Property</td><td>0-15%</td></tr><tr><td>Fixed income and credit²¹</td><td>10-55%</td></tr><tr><td>Cash</td><td>0-30%</td></tr><tr><td>Other investments</td><td>0-30%</td></tr></table>		Australian shares ²⁰	10-35%	International shares ²⁰	10-30%	Property	0-15%	Fixed income and credit ²¹	10-55%	Cash	0-30%	Other investments	0-30%
Australian shares ²⁰	10-35%													
International shares ²⁰	10-30%													
Property	0-15%													
Fixed income and credit ²¹	10-55%													
Cash	0-30%													
Other investments	0-30%													

Category	Multi Asset - balanced	
Investment option name	Perpetual Diversified Real Return	
Investment manager	Perpetual Investment Management Limited	
Risk level	4 – Medium ¹⁹	
Suggested length of investment	Five years or longer when targeting a pre-tax (before fees and taxes) return of inflation ²² plus 5% per annum. Two years or longer when targeting to minimise downside risk. ²³	
Objective	Aims to target a pre-tax return of 5% per annum above inflation ²² (before fees and taxes) over rolling five-year periods, while minimising downside risk ²³ over rolling two-year periods.	
Investment approach	<p>The fund will invest in a diversified range of asset classes. The combination of assets held by the fund at any time are those which PIML believes provide the greatest probability of achieving the target return over rolling five-year periods. PIML 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 and private market assets.</p> <p>Currency is managed at the fund level, taking into account currency exposure arising from underlying investments.</p> <p>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>Investment in illiquid assets²⁴ will be limited to 18% of the net asset value of the fund.</p>	
Investment guidelines	Australian shares ²⁵	0-50%
	International shares ²⁵	0-50%
	Property	0-15%
	Fixed income and credit ²¹	0-100%
	Commodities	0-15%
	Other investments	0-30%
	Cash	0-100%

Category	Multi Asset - growth																							
Investment option name	BlackRock Tactical Growth																							
Investment manager	BlackRock Investment Management (Australia) Limited																							
Risk level	6 – High																							
Suggested length of investment	Five years or longer																							
Objective	<p>Aims to outperform peer performance consistent with a growth orientated investment strategy encompassing:</p> <ul style="list-style-type: none">• a broadly diversified exposure to Australian and international assets• active asset allocation, security selection and risk management• flexibility to deviate meaningfully from the strategic asset allocation to help manage total portfolio risk. <p>The fund aims to outperform a composite benchmark (before fees) reflecting its allocation to the various asset types over a five-year rolling period.</p>																							
Investment approach	The fund aims to provide investors with a diversified exposure to the best investment teams and strategies that the BlackRock Group has globally within the context of an Australian based ‘growth’ investment portfolio.																							
Investment guidelines	<table><tr><td>Australian equities</td><td>24%</td></tr><tr><td>International equities</td><td>29%</td></tr><tr><td>Emerging market equities</td><td>8%</td></tr><tr><td>Global listed infrastructure</td><td>5%</td></tr><tr><td>International listed property</td><td>5%</td></tr><tr><td>Australian fixed income</td><td>9%</td></tr><tr><td>International fixed income</td><td>8%</td></tr><tr><td>Australian corporate bonds</td><td>5%</td></tr><tr><td>Gold</td><td>4%</td></tr><tr><td>Cash²⁶</td><td>3%</td></tr><tr><td>(Foreign currency exposure</td><td>34%)</td></tr></table>		Australian equities	24%	International equities	29%	Emerging market equities	8%	Global listed infrastructure	5%	International listed property	5%	Australian fixed income	9%	International fixed income	8%	Australian corporate bonds	5%	Gold	4%	Cash ²⁶	3%	(Foreign currency exposure	34%)
Australian equities	24%																							
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Cash ²⁶	3%																							
(Foreign currency exposure	34%)																							

Category	Multi Asset - growth													
Investment option name	Perpetual Balanced Growth													
Investment manager	Perpetual Investment Management Limited													
Risk level	6 – High													
Suggested length of investment	Five years or longer													
Objective	<p>Aims to:</p> <ul style="list-style-type: none">• provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments• outperform the All Groups CPI + 5.0% pa (before fees and taxes) over at least five-year periods• outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.													
Investment approach	<p>The fund invests in a diverse mix of growth, defensive and other investments, with a focus on Australian and international shares.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</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>Derivatives and exchange traded funds may be used in managing each asset class.⁷</p>													
Investment guidelines	<table><tr><td>Australian shares²⁰</td><td>10-50%</td></tr><tr><td>International shares²⁰</td><td>10-50%</td></tr><tr><td>Property</td><td>0-15%</td></tr><tr><td>Fixed income and credit²¹</td><td>0-45%</td></tr><tr><td>Cash</td><td>0-30%</td></tr><tr><td>Other investments</td><td>0-30%</td></tr></table>		Australian shares ²⁰	10-50%	International shares ²⁰	10-50%	Property	0-15%	Fixed income and credit ²¹	0-45%	Cash	0-30%	Other investments	0-30%
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Cash	0-30%													
Other investments	0-30%													

Footnotes to investment option profiles

- 1 Both over-the-counter and exchange traded derivatives may be used in managing the fund. The fund's total notional value of derivatives is limited to 10% of the fund's net asset value except on a temporary basis or where derivatives are used to manage foreign exchange or interest rate risk. The fund may use derivatives on a temporary basis, where for example, the portfolio manager seeks to manage unfavourable market conditions or it is more efficient than buying or selling underlying securities to achieve asset exposure. Additionally, the aggregate exposure of the fund to all OTC derivative counterparties is managed so that it does not exceed a maximum of 10% of the net asset value of the fund. Assets which may be obtained or held by the fund as collateral for OTC derivatives include cash.
- 2 Investment grade is a term given to securities that have a high probability of payment of interest and repayment of principal.
- 3 Sub-investment grade is a term given to securities where there is a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise. The fund typically invests in investment grade securities, but PIML may increase its sub-investment grade exposure under favourable economic conditions. Sub-investment grade securities may include, but are not limited to, hybrids, mortgages, mezzanine mortgages and private debt.
- 4 Maximum aggregate global exposure will not exceed 50%.
- 5 Maximum aggregate exposure to high yield will not exceed 20%.
- 6 The underlying fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The fund may also invest in Australian or international shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the fund's net asset value. Currency hedges may be used from time to time.
- 7 The use of derivatives may include, but is not limited to, adjusting currency exposure (where appropriate); hedging selected shares or securities against adverse movements in market prices; gaining exposure to relevant indices; gaining short-term exposure to the market; building positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up; generating additional income; and creating a short exposure to a stock for underlying funds authorised to take net negative positions.
- 8 The use of derivatives may include, but is not limited to, adjusting currency exposure (where appropriate); hedging selected shares or securities against adverse movements in market prices; gaining exposure to relevant indices; gaining short-term exposure to the market; building positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up; generating additional income; and creating a short exposure to a stock for underlying funds authorised to take net negative positions.
- 9 The fund's total notional value of derivatives is limited to 10% of the fund's net asset value except on a temporary basis. Derivatives used to manage foreign exchange risk are excluded from this limit.
- 10 The underlying fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure (or 10% exposure in the case of the underlying fund for the Perpetual Industrial Share investment option) to international shares listed on or proposed to be listed on any recognised global exchange. The underlying fund may also invest in Australian or international shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the underlying fund's net asset value. Currency hedges may be used from time to time.
- 11 The gearing level is the underlying fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the underlying fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowings. The underlying fund has a gearing range of 0-60%, with the typical target level within this range being between 50-60%. This target is only an indication of the targeted gearing level of the underlying fund. Actual gearing levels of the underlying fund may differ. If the underlying fund's gearing level exceeds 60% (due to withdrawals or negative market movements), PIML will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the underlying fund's assets.
- 12 The fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 10% exposure to international shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.
- 13 The net market exposure is the value of the fund's long positions minus the value of the fund's short positions. The fund predominantly holds short positions in Australian shares but may have up to 10% exposure to short positions in international shares.
- 14 The fund may invest in shares listed on or proposed to be listed on any recognised Australian exchange.
- 15 The fund invests predominantly in shares listed on any recognised global exchange. The fund may also invest in shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the fund's net asset value.
- 16 Cash may be held in Australian dollars (AUD) or foreign currencies.
- 17 A covered position means there are underlying assets that are held that are equivalent to cash, or can be readily converted into cash, in the amount of each derivative.
- 18 The underlying fund uses derivatives to manage equity risk and achieve its investment objective. These derivatives may include exposure to other asset classes, such as fixed income, credit and commodities for risk management purposes.
- 19 Irrespective of the underlying fund name, we advise that this investment option has a Standard Risk Measure risk band rating above 3. This option has the risk band rating of 4, and for this rating it has been estimated that the relevant investment options may have 2 to less than 3 negative annual returns over any 20-year period.
- 20 The investment option may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the investment option invests in Perpetual Australian Share Fund, that underlying fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the investment option's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
- 21 This investment option may invest in fixed income funds that allow gearing.
- 22 Inflation is defined as the quarterly All Groups Consumer Price Index (CPI), as measured and published by the Australian Bureau of Statistics.
- 23 Downside risk refers to the probability that an asset or investment will fall in price or value. It is the potential loss that can result from a fall in the price or value of an asset as a result of changing market conditions.
- 24 Illiquid assets are defined as assets that have no readily available secondary market and are not marketable securities. Units in unlisted funds are considered illiquid where underlying assets meet that definition.
- 25 International shares may include some exposure to Australian shares and vice versa. The combined exposure to Australian and international shares is subject to a maximum of 70%.
- 26 May include cash, cash equivalents (including other BlackRock managed investment schemes) and allocated to investment strategies that have a cash benchmark, which may be used to implement security selection and active asset allocation views.

Additional investment information

Investment managers

The investment manager in the 'Investment option profiles' section is the investment manager of the underlying fund as at the issue date of this Investment Book. We review the investment managers regularly and may replace them at any time. We will advise you in writing if this affects you.

As a result, the investment managers may vary at any time. Details about the current investment managers are available at www.perpetual.com.au/wealthfocus-super-updates and/or www.perpetual.com.au/wealthfocus-pension-updates (as applicable) or can be obtained free of charge by phoning us.

Use of derivatives

A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, swaps and forward foreign exchange contracts.

Derivatives may be used to varying degrees by the investment managers in the management of their underlying investment funds for a range of investment activities including, but not limited to, the following purposes:

- managing investment risk and volatility of a stock, security or market
- managing actual and anticipated interest rate risk and credit exposure
- managing currency risk and adjusting currency exposure
- achieving asset exposures without buying or selling the underlying securities
- creating short exposure to a stock, security or market where permitted
- generating additional income
- adding to the gearing levels of relevant underlying investment funds' portfolios
- managing strategic and tactical asset allocation strategies
- taking advantage of price differences (known as arbitrage).

Derivatives may also be used for broader purposes to increase returns. Please refer to the 'Investment option profiles' section for further details.

Investing in derivatives can expose an investment option to additional risks. Please refer to 'Derivatives risk' within the 'Significant risks' table in the PDS for more information.

Environmental, social, governance (ESG) and ethical factors

The Trustee believes it is appropriate for underlying fund managers to consider a wide range of short-term and long-term factors in generating returns and mitigating risk. These factors may include environmental, social and governance attributes of the investments they make.

The Trustee does not specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising these investments. The various underlying fund managers for the investment options may have their own policies concerning labour standards or considerations of an environmental, social or ethical nature.

To the extent that the underlying fund managers take into account such policies, they do so in their own right.

Perpetual ESG Australian Share investment option ('the ESG Option')

Before being considered for investment by the ESG Option, companies must pass a series of exclusionary screens¹. PIML's screening process is designed to limit the ESG Option's investible universe to only those companies that meet minimum values-based and ESG standards.

The ESG Option first applies a values-based exclusionary screen which is then followed by an ESG exclusionary screen.

The companies which pass both of the applicable screens then form the ESG Option's investible universe. The portfolio manager constructs the portfolio from these companies.

¹ No exclusionary screens are applied to derivatives and cash.

Values-based Exclusionary Screen

This screen is designed to identify and exclude companies that derive a proportion of their revenue¹ from involvement in certain activities shown in the table below.

This means that companies breaching any Values-based Activity involvement threshold below (for example earning 10% of revenue from Fossil Fuels, or 1% revenue from Tobacco Production) will fail this Values-based Exclusionary Screen and therefore will not be considered for investment by the ESG Option.

To administer the Values-based Exclusionary Screen, PIML sources data from third party providers. The data provided is based on proprietary research of those providers and publicly disclosed representations from the companies they research. Thus, the data provided may not be a complete representation of a company's involvement in a particular Values-based Activity and may include estimates. PIML may exercise discretion and exclude a company where PIML has other information relating to the company, for example earnings revenue above the involvement threshold for a particular Values-based activity.

Values-based activity	What involvement do we consider	Involvement threshold ¹
Alcohol	Production of alcoholic beverages, including the wholesaling and retail of alcoholic beverages manufactured by other companies.	5% or more of company revenue
Animal Cruelty (Testing)	Animal testing by producers of cosmetic products.	Any involvement
Animal Cruelty (Production)	Production of fur or exotic leather	5% or more of company revenue
Fossil Fuels	Upstream (exploration and production) of fossil fuels (coal, natural gas, oil, oil sands, oil shale) including the provision of services used in the extraction phase.	5% or more of company revenue
Gambling	Gambling operations (for example thoroughbred, sports, financial market and other betting) including online services, casinos, and gambling products including gaming equipment (for example slot/poker machines).	5% or more of company revenue
Genetic Engineering	Production of genetically modified organisms (GMOs) for human consumption (except for medical purposes).	5% or more of company revenue
Nuclear and Uranium	Uranium mining, electricity generation from nuclear power and major parts and services sold to the nuclear industry.	5% or more of company revenue
Pornography	Production and distribution of pornography and adult entertainment services.	5% or more of company revenue
Tobacco (Production)	Production of tobacco including plantations and the manufacture of tobacco products including e-cigarettes and nicotine alternatives.	0% or more of company revenue
Tobacco (Retailing)	Distribution of tobacco including the wholesaling and retail of tobacco products manufactured by other companies.	5% or more of company revenue
Weapons (Nuclear)	Manufacture or development of nuclear weapons, including delivery platforms and munitions for the full weapon along with key parts or services.	0% or more of company revenue
Weapons (Military - Controversial)	Manufacture or development of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, incendiary weapons and white phosphorous), including delivery platforms and munitions for the full weapon along with key parts or services.	0% or more of company revenue
Weapons (Military - Conventional)	Production of military conventional (not controversial) and civilian weapons.	5% or more of company revenue

¹ The involvement threshold is calculated using the total gross amount of revenue generated by the sale of goods or services from normal business operations.

ESG Exclusionary Screen

Companies that successfully pass PIML's Values-based exclusionary screen are then subject to an ESG exclusionary screen. To apply this screen, companies are rated on a broad range of ESG factors shown in the table below.

Companies rated below an acceptable threshold, as determined by PIML, will not be considered for investment by the ESG Option. PIML will conduct the assessment on a case-by-case basis using the measures set out in the table below.

To administer the ESG Exclusionary Screen, data is provided by one or more third party providers to assist in determining the company's management of, and performance against, each relevant ESG theme. The data is based on proprietary research and publicly disclosed representations from companies. Thus, the data provided may not be a complete representation of a company's involvement in a particular ESG Issue and may include estimates.

The data is based on proprietary research and publicly disclosed representations from companies and issuers. Thus, the data provided may not be a complete representation of a company or issuer's involvement in a particular ESG Issue and may include estimates.

ESG SCORING - COMPANY		
ESG ISSUE	WHAT INVOLVEMENT DO WE CONSIDER	MEASURE
Energy transition	Companies exposed to risks and opportunities from the transition to a lower carbon economy.	Management of climate risks and opportunities associated with the energy transition, including climate action plans/strategy, alignment to climate disclosure standards (TCFD), greenhouse gas (GHG) emissions intensity, GHG reduction targets, and decarbonisation opportunities.
Environmental performance	Companies whose operations have impacts on the natural environment, including air, land and water.	Management of environmental impacts, including environmental policies, and environmental management systems. Performance metrics may include indicators related to pollution, waste management, and efficiency of water use.
Products and services environmental impact	Companies whose products and services have impacts on the natural environment.	Effective management of environmental impacts related to products and services, including product stewardship.
Human capital management	Companies exposed to workforce issues including labour rights, the acquisition, development and retention of skills, the provision of appropriate working conditions, and diversity equity and inclusion.	Performance across key human capital themes, including for example, labour rights, human capital development, prevention of discrimination and measures to promote equal opportunities and diversity. Relevant metrics include employee turnover rates, employee engagement, and diversity.
Workplace health and safety (WHS)	Companies operating with risks to health and safety of employees and contractors.	Management commitment to WHS, policies, management systems, and the setting of WHS targets. Performance metrics may include safety training hours, and injury and fatality rates.
Human rights, labour rights, and modern slavery	Companies with high risks from human rights, labour rights, or modern slavery, including in supply chains.	Policies or commitments to upholding human rights, labour rights, and against modern slavery. Involvement in, or links to, alleged or verified human rights or labour rights controversies or modern slavery, as established by international norms.
Customers and product responsibility	Companies in industries with high product impact risks (for example fast food, medical devices, and pharmaceuticals).	Policies or commitments to product quality and safety, and responsible consumption. Performance relating to product quality and safety metrics, including the social impact of products along the value chain, protection of privacy and data security and other actions taken by the company to mitigate these risks.
Stakeholder relations	Companies operating in high stakeholder relations risk industries.	Commitments to positive relations with external stakeholders, such as government, traditional owners, and local communities, including policies and action plans.
Ethical conduct	All companies are exposed to ethical conduct risk.	Commitment to ethical business conduct. Disclosure and quality of a company's code of ethical conduct or policy regarding fair business practices, addressing issues such as bribery and corruption, antitrust violations, conflicts of interest, insider dealings, gifts and entertainment, money laundering, and validity of financial information. Whistleblower facilities and protection, and ethical conduct performance ¹
United Nations Sustainable Development Goals ² (UN SDGs)	Products and services that either contribute to, or detract from, the UN SDGs grouped under six themes - energy and climate change, clean water and sanitation, protection of ecosystems, food and nutrition, good health and wellbeing, and sustainable cities and communities.	Both positive and negative contributions are considered.

1 A company's corporate misconduct history will be assessed by PIML on a case-by-case basis. What constitutes misconduct and the severity of that misconduct can vary greatly based on who is making the determination. PIML undertakes a qualitative assessment of corporate misconduct based on data provided by third-party data providers and our own research. PIML will disqualify a company from inclusion in the ESG Option where PIML believes the misconduct is indicative of an inadequate commitment to managing ESG risks.

2 The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. For more information see sdgs.un.org/goals.

Divestment

Companies are assessed against each applicable exclusionary screen - Values-based and ESG exclusionary - every month. Those companies invested in by the ESG Option which fail any screen must be divested promptly from the ESG Option within 60 days, subject to liquidity and other practical considerations.

PIML may modify the Values-based and ESG Exclusionary Screens at any time and in some cases without notice. We will notify you of any such changes in accordance with our obligations under the law.



CERTIFIED BY RIAA

The RI Certification Symbol is issued by Responsible Investment Association Australasia (RIAA) ACN (641 046 666), AFSL (554110) and signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that the underlying fund of the ESG Option adheres to the operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The underlying fund of the ESG Option is assessed against RIAA's Responsible Investment Standard. The Certification Symbol is a Trademark of RIAA. Detailed information about RIAA, the Symbol and Perpetual ESG Australian Share Option's methodology, performance, portfolio holdings, remuneration and details about other responsible investment products certified by RIAA can be found at www.responsiblereturns.com.au and RIAA's Financial Services Guide.¹

¹ The Responsible Investment Certification Program provides general advice only and does not take into account any person's objectives, financial situations, or needs. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation, and if the advice relates to the acquisition, or possible acquisition, of a particular financial product. Certifications are current for 24 months and subject to change at any time.

The RIAA requires certified funds to publicly disclose and update the full holdings for all assets under management on a half-yearly basis. Documents containing the latest 'Full holdings disclosure' for the ESG Option are available at www.perpetual.com.au (see 'Other documents' in the 'Additional information' section of the applicable PDS for details) or you can obtain a copy free of charge by contacting us.

Changes to the investment options

Features of the investment options (including investment manager, investment objective, approach and guidelines for the underlying funds) can change.

We can also open, close or terminate investment options or replace the investment manager.

Updated details reflecting any significant changes to the investment options that are not materially adverse will be available at www.perpetual.com.au. You can also obtain a paper copy of any updated information free of charge, upon request.

Asset allocations and investment performance

An investment in an investment option is not a direct investment in the underlying fund. Consequently, the following may differ from that of the underlying fund:

- asset allocations – the cash holding in an investment option may be greater than that of the corresponding underlying fund as we may retain cash to ensure more timely processing of withdrawals
- investment performance – due to factors such as valuation timing differences, differences in fees and charges, retention of distributions (for liquidity purposes) and higher cash holdings, the performance of an investment option may not track that of the corresponding underlying fund.

Consents

All companies mentioned in the PDS (including the investment managers of the underlying funds) have consented to the statements made by or about them being included in the PDS, in the form and context that they appear.

The companies that have consented have not withdrawn their consent before the issue date of the PDS and have not authorised or caused the issue of the PDS.

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Contact details

For further information, or a copy of any of our product disclosure statements, please contact us.

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