



Perpetual Select Super Plan

Member Outcomes Assessment
Financial Year Ending 30 June 2024

Dear Members of the Perpetual Select Super Plan (the Plan)

We are pleased to present the Member Outcomes Assessment for the year ended 30 June 2024. This report provides a comprehensive overview of the Plan's performance, including reviews of investment returns and risks, fees and costs, and other assessment factors.

Our aim is to provide you with clear and relevant information to help you understand how your investment in the Plan has performed over the past year, and how this performance aligns with your retirement goals.

At Perpetual Superannuation Limited (PSL), our purpose is the enduring prosperity for the lifetime of our members. With the Perpetual Select Super Plan this purpose is expressed in the active multi-manager investment approach. Perpetual chooses specialist investment managers, combining their different styles, philosophies, approaches and techniques, with the aim of enhancing diversification and producing smoother, more consistent returns. Our aim is to give you the confidence and peace of mind that your retirement savings are well taken care of.

We value your membership and are committed to ensuring that the Plan continues to deliver strong outcomes for our members. We encourage you to take the time to read this report and to contact us if you have any questions or would like further information.

Thank you for your continued support.

Janet Torney – Chair, Perpetual Superannuation Limited

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Perpetual 

Investment Strategy, Returns and Risk

The investment objective of the Fund as a whole is to offer members a select range of high quality investment options. This provides members with a variety of options spanning different asset classes, investment objectives and risk profiles which allows members, and their advisers to select from these investment options to tailor a portfolio to meet their particular needs.

As your super trustee, we are committed to managing your investments prudently and responsibly. We have established a robust investment governance framework and strategy that prioritises your best financial interests. This includes setting clear investment objectives, and employing independent oversight to ensure transparency and accountability. Through effective governance, we strive to deliver sustainable long-term investment outcomes and fulfill our fiduciary duty to you.

The multi-asset class options are designed so as to be reasonably likely (66%+) of achieving their CPI+ objective with the minimal level of risk (measured by standard deviation) and a strong focus on downside capital protection. The implementation of this investment philosophy leads to a focus on active management and a relatively high exposure to alternative investments. The higher exposure to alternative investments is due to their lower correlation with traditional asset classes. During periods when traditional growth asset classes perform strongly, alternative investments will tend to underperform. However, in periods of market downturns in growth assets, exposure to alternative investments will assist in preserving members' capital. As at 30 June 2024 all options meet their CPI + objective except for the Conservative Option.

The investment returns outcomes show a pattern of improvement over time. That is, the 1 and 3 year returns relative to the peer group are better than the 5 and 10 year returns for most of the options. Our investment team continues to monitor market conditions and adjust our investment strategy as needed to ensure that we are providing members with the best possible outcomes in line with our investment philosophy of 'protecting client wealth, and growing it prudently, through time'.

We believe the portfolio is positioned to deliver risk-adjusted outcome over the long term for our members in line with investment objectives.

30 June 2024 - Investment returns and risk

Investment Return ¹	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile
Investment Risk ²	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile

Super Plan - Risk and Return June 2024 ²	Investment Returns (%)				Investment Risk ³ (%)			
	1Y%	3Y%	5Y%	10Y%	1Y%	3Y%	5Y%	10Y%
Capital Stable (20-40)	5.71	2.12	3.18	4.18	3.67	3.62	4.05	3.19
Conservative	5.88	2.20	3.15	3.42	5.16	4.95	4.98	3.95
Conservative Balanced (41-59)	7.46	3.57	4.61	5.62	4.72	5.00	5.75	4.69
Diversified	7.09	3.13	4.12	4.12	5.57	5.78	5.92	4.96
Balanced (60-76)	9.24	4.51	6.05	6.98	6.44	6.89	7.73	6.43
Balanced	8.53	4.06	5.25	5.43	6.28	6.53	7.14	5.95
Growth (77-90)	10.86	5.49	7.31	8.08	7.20	7.79	9.18	7.70
Growth	9.58	4.85	6.17	6.34	6.81	7.32	8.29	6.96
High Growth (91-100)	12.50	6.14	8.26	8.70	8.70	9.80	11.49	9.74
High Growth	10.72	5.61	6.95	7.02	7.50	8.23	9.58	8.02
Cash	4.04	2.25	1.58	1.72	0.08	0.48	0.45	0.33
Cash	3.73	2.02	1.19	0.72	0.04	0.46	0.46	0.36
International Shares	17.33	7.15	10.14	10.16	9.47	10.86	10.89	10.37
International Shares	12.18	4.84	8.88	9.64	8.52	9.89	10.03	9.61
Australian Shares	11.47	6.57	7.54	8.10	10.17	11.81	14.66	12.46
Australian Shares	11.58	5.94	6.78	6.43	10.28	11.17	14.06	11.60

Source: SuperRatings' Super Fund Crediting Rate Survey (June 2024), Accessed on 31/10/2024

Fees, Costs and the Basis of Setting Fees

At PSL, we're committed to providing value to our members. During the year ending 30 June 2024, we continued to review our fee structure to ensure that it is fair and transparent.

Administration Fees

Our administration fees are designed to cover the costs of running the Plan, including the management of member accounts, processing transactions, and providing member support. During the year ending in June 2024, administration fees were 0.10% p.a., well below the median administration fee charged by peers.

Investment Management Fees

The investment management fees cover the costs of managing the investments, including the management of the portfolio, research, and trading. The fee comparison shows that combined administration and investment fees are above market medians for all options except for Cash.

¹ 1st quartile is the highest 25%

² The investment options are listed below the peer group they are being compared to.

³ Standard deviation is a commonly used measure of investment risk. A higher standard deviation represents higher volatility in returns which indicates a higher degree of risk or uncertainty in outcomes. A lower standard deviation indicates more predictable or stable outcomes.

Exposure to alternative assets in the multi-asset class options contributed to the higher than average fees. Investing in alternative assets can result in higher fees because they are often managed by specialist investment managers and involve more complex and customised investment strategies. However, alternative assets can lower the overall risk of a portfolio as shown by investment risk in the table above because they often have low correlations with traditional investments. This diversification can help to reduce the volatility of a portfolio and provide a more stable return over time.

30 June 2024 - Administration and investment fees

Fees ⁴	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile
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Super Plan ⁵	Admin fee		Admin + Investment fee	
	\$50k	\$100k	\$50k	\$100k
Capital Stable- median	0.36%	0.30%	0.87%	0.81%
Conservative	0.10%	0.10%	1.01%	1.01%
Conservative Balanced- median	0.36%	0.30%	0.87%	0.81%
Diversified	0.10%	0.10%	1.11%	1.11%
Balanced - median	0.36%	0.30%	0.96%	0.90%
Balanced	0.10%	0.10%	1.19%	1.19%
Growth- median	0.36%	0.30%	0.99%	0.94%
Growth	0.10%	0.10%	1.24%	1.24%
High Growth- median	0.36%	0.30%	1.01%	0.97%
High Growth	0.10%	0.10%	1.32%	1.32%
Cash- median	0.36%	0.30%	0.43%	0.37%
Cash	0.10%	0.10%	0.10%	0.10%
Australian Shares - median	0.36%	0.30%	1.01%	0.95%
Australian Share	0.10%	0.10%	1.14%	1.14%
International Shares- median	0.36%	0.30%	1.04%	0.98%
International Share	0.10%	0.10%	1.14%	1.14%

Source: Perpetual, derived from SuperRatings' SMART Fee module.⁶

Assessment Factors

Options, benefits and facilities

Member Services

At PSL, we're committed to providing a high level of service to our members. We offer a website, online portal and a contact centre for members to access their account details, investment performance and other resources.

Online Services

During the year there was an outage impacting our online services and transaction processing following a security incident on a system provided by a third party service provider.

Functionality for the myPerpetual online portal was down for an extended period of time and we sincerely apologise for any inconvenience this caused our clients,

⁴ 1st quartile is the highest 25% of fees, 4th quartile is the lowest 25% of fees

⁵ The investment options are listed below the peer group they are being compared to.

⁶ The median values were calculated by Perpetual from data sourced from SuperRatings' SMART Fee module (as at 30 June 2024).

particularly over the end-of-financial-year period.

Read-only access was reinstated for our clients and advisers throughout September 2023 and transactional capability has now been restored.

This was an isolated incident with a single, external third-party service provider. It is important to note that all member investments remained safe and secure at all times.

We have reviewed our information security management program in light of this event and are satisfied that it remains robust and clearly focused on protecting our customers and their data.

Perpetual has an Information Security Management Program aligned to recognised global standards and frameworks.

The program has senior management and board oversight and is subject to stringent internal and external audit assurance.

Contact Centre

Our dedicated member support team is available to answer any questions and assist with any queries. For members who contacted us by phone or email over the year, satisfaction with the service provided remained high with an average rating of 8.2 out of 10.⁷

Insurance strategy and premiums

At PSL, we understand the importance of providing our members with access to insurance cover. During the year ended 30 June 2024, we have continued to review our insurance strategy to ensure that it is

tailored to meet the needs of our members.

Insurance Options

We offer a range of insurance options to our members, including life insurance, total and permanent disability (TPD) insurance, and income protection insurance. Members have the option to tailor their insurance cover to meet their specific needs and budget.

Insurance Premiums

The insurance premiums are determined based on the type and level of cover selected by the member, as well as their age, gender and smoker status. The insurance premiums charged are driven by the claims experience of the Plan. Overall, premiums are broadly in line with the market.

Claims Experience

We have a specialist claims team that oversees the claims process to ensure all claims are managed in a timely and appropriate manner. Any claims denied by the insurer are reviewed by PSL to confirm whether we agree with the insurers' decision.

In the 12 months ending 30 June 2024 decisions were reached on 15 claims over the year and 1 claim was withdrawn/closed. Out of all death and TPD claims considered only 1 was declined. The insurer demonstrated timely service in line with agreed targets.

⁷ Satisfaction is measured across all clients contacting the Contact Centre. This includes other products in addition to the Plan

Overall size and scale of operations

Members of the Perpetual Select Superannuation Fund benefit by the Fund being part of the broader Perpetual Group. Perpetual is a global diversified financial services business managing \$215.0 billion in AUM (as at 30 June 2024). This provides sufficient scale to negotiate favourable rates with market leading service providers and to attract and retain key staff members.

The Plan continues to operate in a way which is both sustainable and focussed on delivering good member outcomes. Being part of the Perpetual Group provides the Plan with access to world-class investment management capability backed by institutional standard administration and support services.

Promoting the financial interests of members

Each year we assess whether we have promoted the financial interests of members by completing the comparisons and assessments summarised in this Member Outcomes Assessment.

Our commitment to providing high-quality services and products to our members remains strong, and we will continue to strive for excellence in all areas of our operations.

This year we have determined that we have promoted the financial interests of members. We would like to thank our members for their continued trust in us and for choosing the Perpetual Select Super Plan as their preferred superannuation fund. We look forward to serving our members in the future and will continue to work hard to provide the best outcomes for our members.

Important note

This information has been prepared by Perpetual Superannuation Limited ABN 84 008 416 831 (PSL), AFSL 225246, RSE L0003315 (as trustee for Perpetual Select Superannuation Fund RSE R1057034, ABN 51 068 260 563). 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 product disclosure statement (PDS) for the Perpetual Select Super Plan, issued by PSL, should be considered before deciding whether to acquire or maintain an interest in the Fund. The PDS can be obtained by calling 1800 0211 022 or visiting our website www.perpetual.com.au.

No company in the Perpetual Group (Perpetual Group means 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.

Net returns shown have been calculated net of fees, costs and tax deducted from the Plan. It does not include any fees or costs deducted directly from members' accounts. No allowance has been made for any investment fee rebate for Super Plan members, if applicable.