



## Perpetual Select Pension Plan

Member Outcomes Assessment  
Financial Year Ending 30 June 2023

### Dear Members of the Perpetual Select Pension Plan (the Plan)

We are pleased to present the Member Outcomes Assessment for the year ended 30 June 2023. 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 Pension 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 our members the confidence and peace of mind that their 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. Based on a gross investment return, all multi-sector investment options (with the exception of the Conservative option) met their CPI objectives as of June 2023 and all single sector investment options (with the exception of International Shares) met their objectives against benchmark returns.

Despite the challenges posed by high inflation, rising interest rates, and geopolitical tensions, equity markets demonstrated impressive resilience in the year ending 30 June 2023. Global equities delivered strong returns, exceeding expectations despite underlying nervousness. The median global equity option returned 19.3%. The Australian equities market also delivered good performance for the year, with the median manager returning 15.2%.<sup>1</sup> Several factors contributed to the Australian market's resilience, including strong commodity prices and resilient domestic consumption despite rising costs.

In the fixed interest asset class, interest rate hikes pushed bond yields higher, leading to low returns for many fixed interest strategies. The median return for the year was 0.5%.<sup>1</sup> However, floating-rate credit delivered positive returns benefitting from the higher rates.

We aim to provide members with the best possible outcomes in line with our investment beliefs. We keep our long-term investment objective front of mind and seek out the best investment ideas for the targeted risk and return objectives in a given investment environment'. We have been delivering on this commitment as shown by the investment returns outcome showing 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. Our investment strategies are focused on downside protection as indicated in the table below by the superior risk outcome in comparison to peers for most of the strategies. Therefore, we believe our portfolios are well-positioned to deliver risk-adjusted outcomes over the long term for our members in line with the investment objectives. Our investment team continues to monitor market conditions and adjust our investment strategy as needed in line with our investment beliefs.

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<sup>1</sup> SuperRatings Fund Crediting Rate Survey (June 2023), All Products, Pension

## 30 June 2023 - Investment returns and risk

Investment Return	1 <sup>st</sup> quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	4 <sup>th</sup> quartile
Investment Risk	1 <sup>st</sup> quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	4 <sup>th</sup> quartile

	Investment Returns (%)				Investment Risk <sup>2</sup> (%)			
	1Y%	3Y%	5Y	10Y%	1Y%	3Y%	5Y%	10Y%
Capital Stable (20-40) – Median	5.2	3.4	3.4	5.0	4.55	3.73	4.42	3.45
Conservative	6.6	3.6	2.9	3.9	5.6	4.8	5.2	4.1
Conservative Balanced (41-59) - Median	7.8	5.6	5.0	6.6	6.34	5.28	6.44	5.26
Diversified	8.3	5.4	4.0	4.9	6.7	5.8	6.3	5.3
Balanced (60-76) - Median	10.2	8.1	6.4	8.1	8.53	7.26	8.56	6.97
Balanced	10.5	7.0	5.0	6.2	7.5	6.7	7.7	6.3
Growth (77-90) - Median	12.6	9.6	7.5	9.4	9.64	8.58	10.2	8.32
Growth	11.8	8.5	5.8	7.3	8.5	7.7	8.9	7.4
High Growth (91-100) - Median	15.4	11.3	8.0	9.9	12.3	11.0	12.9	10.9
High Growth	12.9	9.9	6.6	8.1	9.6	8.8	10.2	8.5
Cash - Median	3.0	1.2	1.3	1.9	0.2	0.4	0.4	0.3
Cash	2.8	0.9	0.7	0.6	0.2	0.4	0.3	0.3
Australian Shares - Median	15.2	12.6	8.0	9.9	14.0	13.2	16.2	13.7
Australian Share	13.5	11.3	5.9	7.7	13.1	12.1	15.1	12.4
International Shares - Median	19.3	11.5	9.2	11.3	13.4	12.0	12.7	11.1
International Share	18.4	10.0	9.5	11.2	11.1	10.4	11.7	10.5

Source: SuperRatings' Super Fund Crediting Rate Survey (June 2023), All Products

## 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 2023, we benchmarked our fees against other superannuation funds to ensure they remained competitive.

### 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 2023, administration fees were 0.10% p.a., well below the median administration fee charged by peers<sup>3</sup>.

### 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 the multi-asset class options and predominantly below market medians for the single asset class options.

<sup>2</sup> Standard deviation is a commonly used measure of investment risk. A higher standard deviation represents a higher volatility in returns which indicates a higher degree of risk or uncertainty in outcomes. A lower standard deviation indicates a more predictable or stable outcome.

<sup>3</sup> Perpetual sourced data on administration fees from SuperRatings' SMART Fee module (30 June 2023) and data on investment fees from SuperRatings' SMART Investment module (30 June 2023), Choice Products excluding passively managed options. The median values were calculated by Perpetual.

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. In addition to diversification benefits, alternative investments offer potentially higher returns when compared to more traditional asset classes.

### 30 June 2023 - Administration and investment fees

Fees	1 <sup>st</sup> quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	4 <sup>th</sup> quartile
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	Admin fee		Admin + Investment fee	
	\$50k	\$100k	\$50k	\$100k
Capital Stable (20-40) – Median	0.39%	0.31%	1.01%	0.93%
Conservative	0.10%	0.10%	1.04%	1.04%
Conservative Balanced (41-59) - Median	0.39%	0.31%	1.01%	0.93%
Diversified	0.10%	0.10%	1.14%	1.14%
Balanced (60-76) - Median	0.39%	0.31%	1.04%	0.96%
Balanced	0.10%	0.10%	1.22%	1.22%
Growth (77-90) - Median	0.39%	0.31%	1.01%	0.93%
Growth	0.10%	0.10%	1.26%	1.26%
High Growth (91-100) - Median	0.39%	0.31%	1.23%	1.15%
High Growth	0.10%	0.10%	1.32%	1.32%
Cash – Median	0.39%	0.31%	0.46%	0.38%
Cash	0.10%	0.10%	0.10%	0.10%
Australian Shares - Median	0.39%	0.31%	1.14%	1.06%
Australian Share	0.10%	0.10%	1.12%	1.12%
International Shares - Median	0.39%	0.31%	1.24%	1.16%
International Share	0.10%	0.10%	1.16%	1.16%

Source: Perpetual derived from SuperRatings' SMART Fee module and SMART Investment module.<sup>3</sup>

## 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, 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.

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 members 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 contact centre 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 8.5 out of 10.<sup>4</sup>

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<sup>4</sup> 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 \$212.1 billion in AUM (as at 30 June 2023). 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 one of Australia's most trusted investment managers 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 superannuation and retirement solutions 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 Pension 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 Pension 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 022 033 or visiting our website [www.perpetual.com.au](http://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 Pension Plan members, if applicable.