
Perpetual Superannuation Limited

Perpetual Private Super Wrap Annual Members' Meeting

19 November 2021

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Agenda

Introduction to key people

Chair's address – strategy update and regulatory change

Investment performance and market update

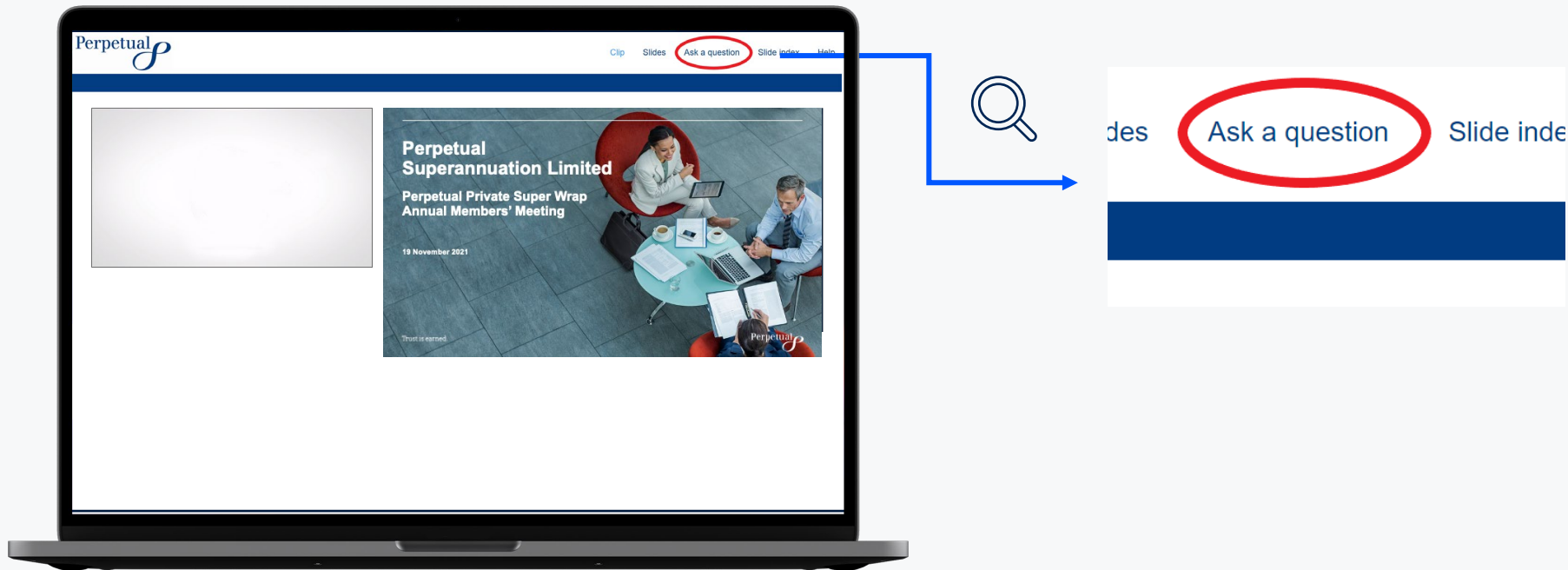
Member services update

Members' questions and answers



Submit a question

Click the 'Ask a question' link at the top right of your screen



If your question relates specifically to your account or insurance, we will arrange for your Financial Adviser to contact you.

General information

This information has been prepared by Perpetual Superannuation Limited ABN 84 008 416 831 (PSL), AFSL 225246, RSE L0003315 (as trustee for Perpetual Super Wrap ABN 22 897 174 641, RSE R1074406). 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 statements (PDSs) for the Perpetual Private Super Wrap and Perpetual Private Pension Wrap, issued by PSL, should be considered before deciding whether to acquire or hold units in the Funds. The PDSs can be obtained by calling 1800 099 265 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.

Janet Torney

Chair



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Perpetual superannuation limited – key executives

Governance Tier	Board	Janet Torney Chair & Non Executive Director	Kerry Adby Non Executive Director	Vacant Non Executive Director	Chris Green Executive Director	Mark Smith Executive Director
	Board Committees	Audit and Risk Committee Kerry Adby (Acting Chair) Janet Torney (NED) Vacant (NED)	Investment Committee Kerry Adby (Chair) Janet Torney (NED) Mark Smith (Executive Director) Jonathan Sweeney (Independent Member)	Nominations Committee Janet Torney (NED) Chris Green (Executive Director) Paul Chasemore (Executive General Manager, People)	People & Remuneration Committee Nancy Fox (Chair & Perpetual Ltd NED) Fiona Trafford-Walker (Perpetual Ltd NED) Greg Cooper (Perpetual Ltd NED)	
		Catherine Payne Head of Office of the Superannuation Trustee				
Operating Tier	Key Management Personnel	Sam Mosse Chief Risk Officer		Amanda Gazal Chief Operating Officer		
		Mary Kapota PSL Company Secretary		Annie Rozenauers General Manager Product		
				Ilias Kotronakis Senior Manager, Platform & Services Products		
External Service Providers	External Service Providers	Macquarie Administrator		Bond Street Custodians Member Administration		AIA/Zurich Insurers
		KPMG External Auditor Nicholas Buchanan				

Our strategy

Purpose: Enduring prosperity for the lifetime of our members

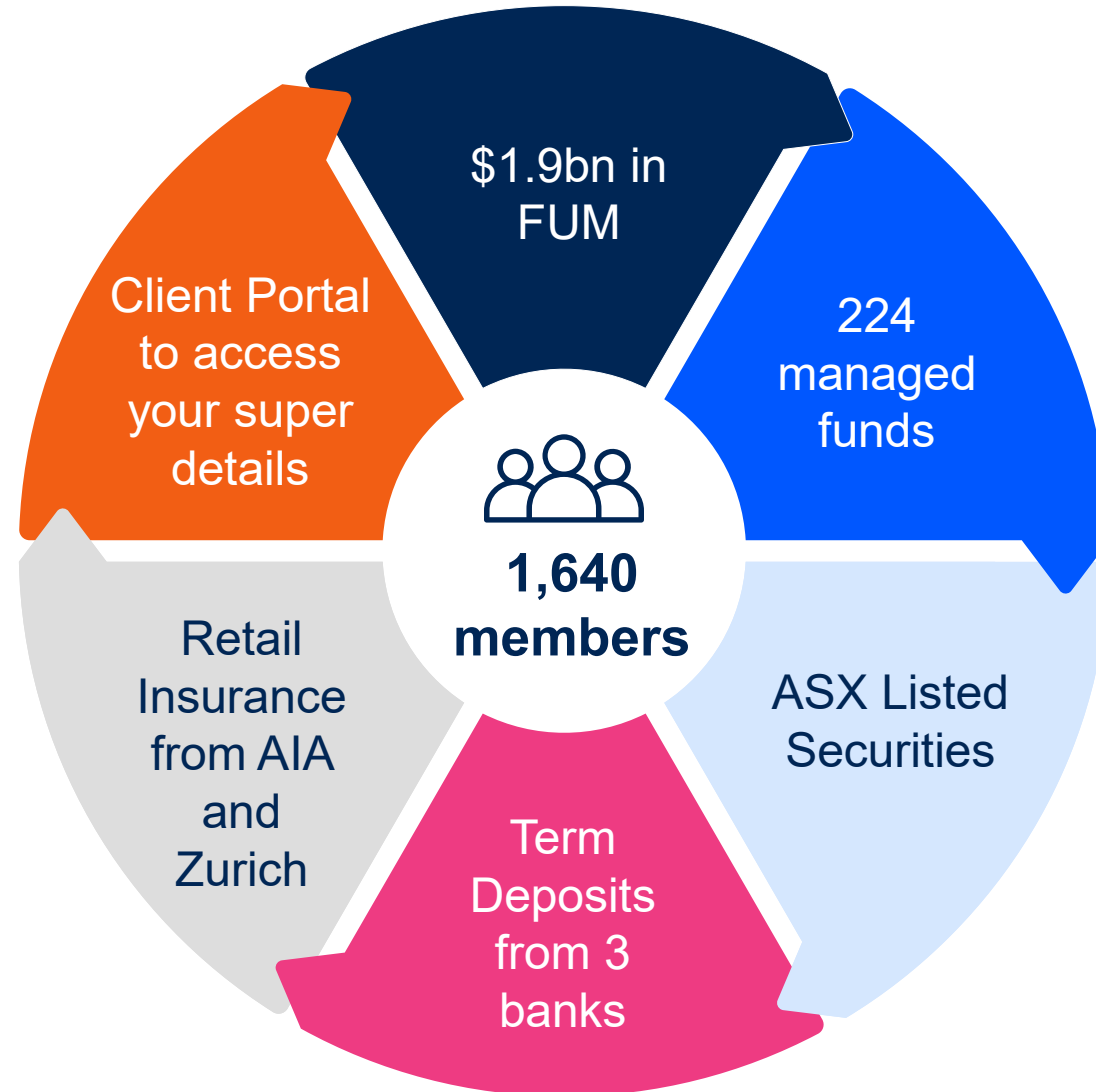
Vision: to be the trusted provider of market-leading superannuation solutions in our chosen segments

Values: Excellence, Integrity & Partnership

Strategic Objectives	Enable  Enable the provision of superannuation solutions for our members and their advisers	Engage  Deepen our member relationships and improve our members experience	Protect  Protect our members by delivering robust governance, compliance & risk management	Sustain  Provide efficient And sustainable business operations
Metrics	Investment performance Investment choice Member engagement Fees			

Underpinned by PSL's Risk Appetite Statement


Your Fund as at 30 June 2021



Kyle Lidbury

Head of Investment Research

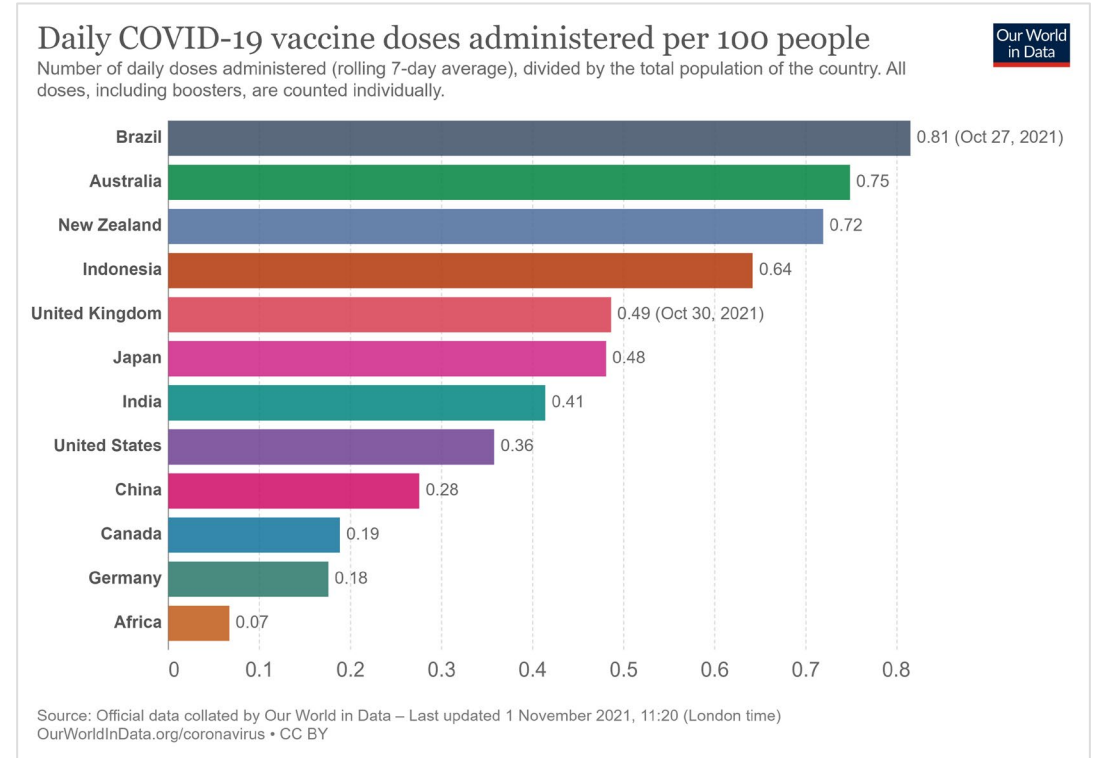
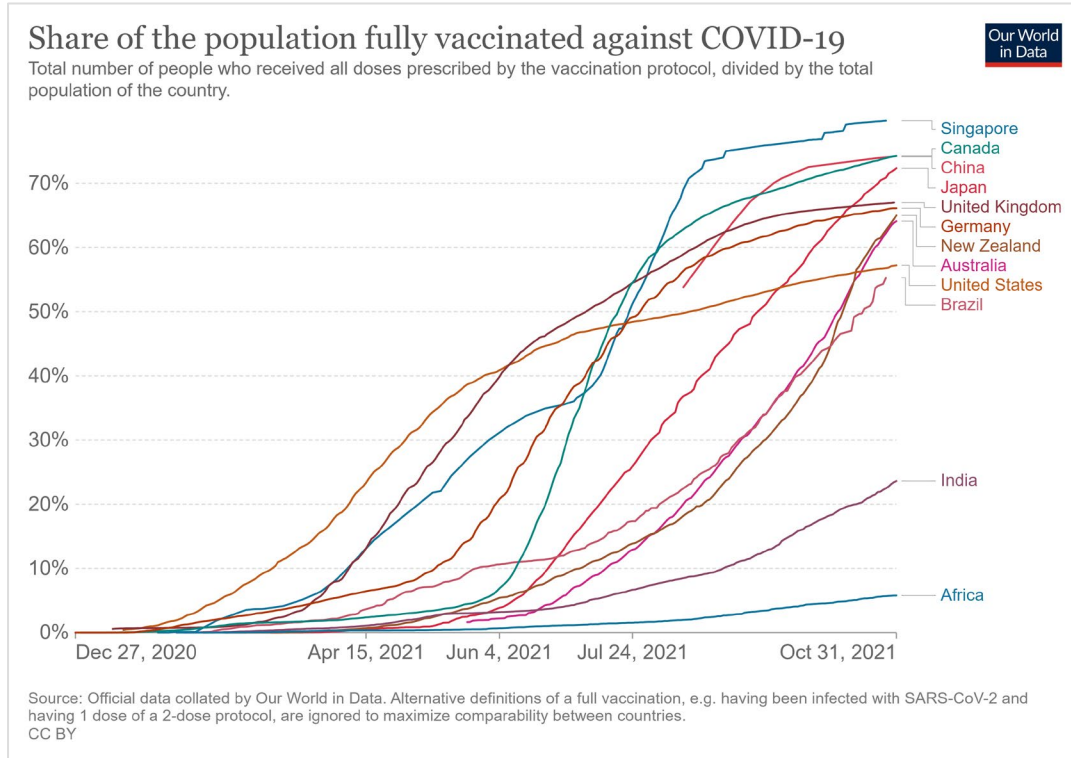
Investment Performance & Market Update

A photograph of two women in wetsuits walking on a sandy beach, carrying surfboards. The woman in the foreground is smiling and looking towards the right. The background shows other people on the beach and the ocean under a bright sky.

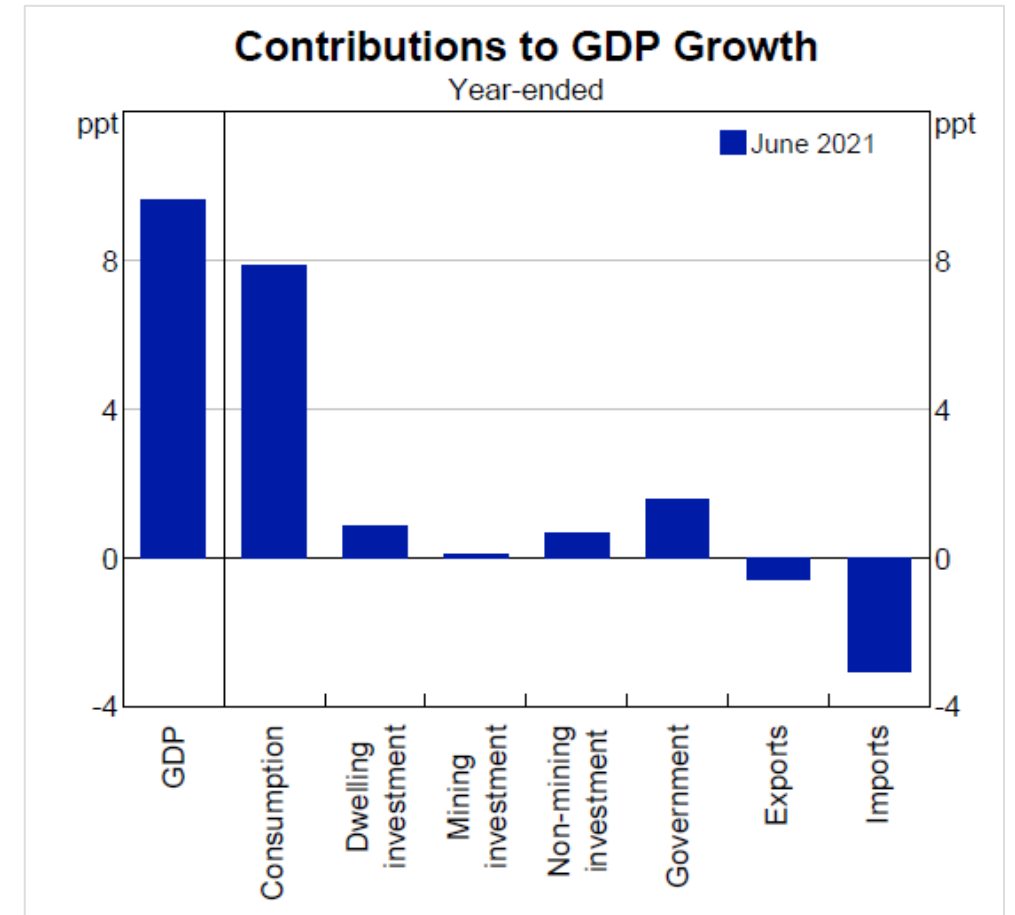
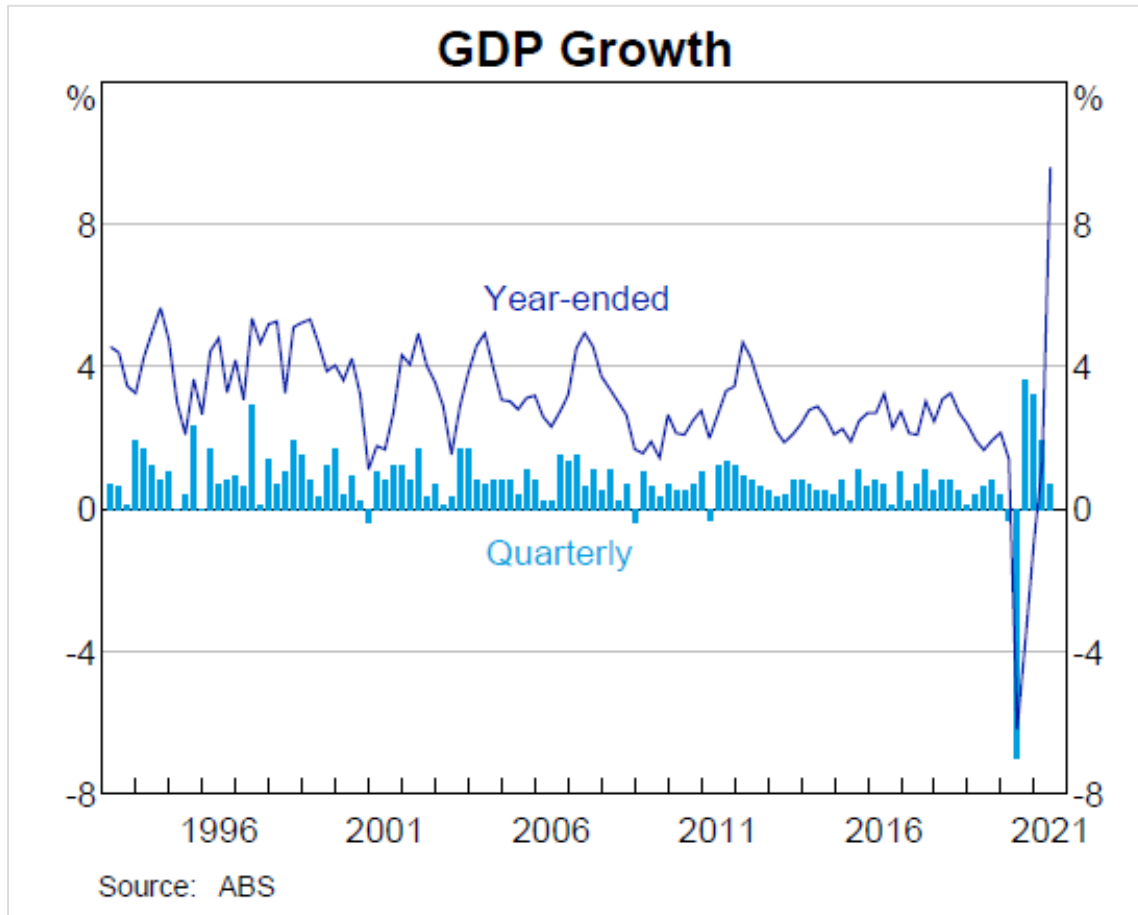
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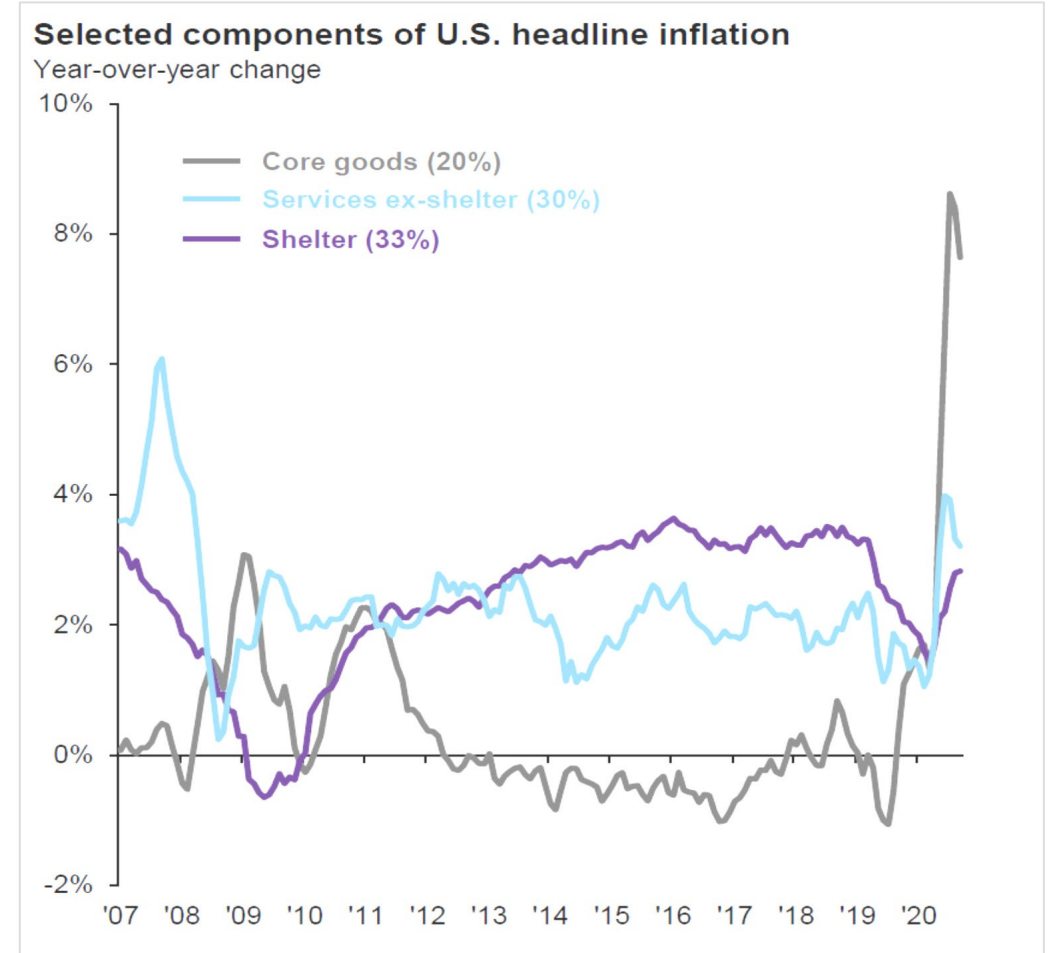
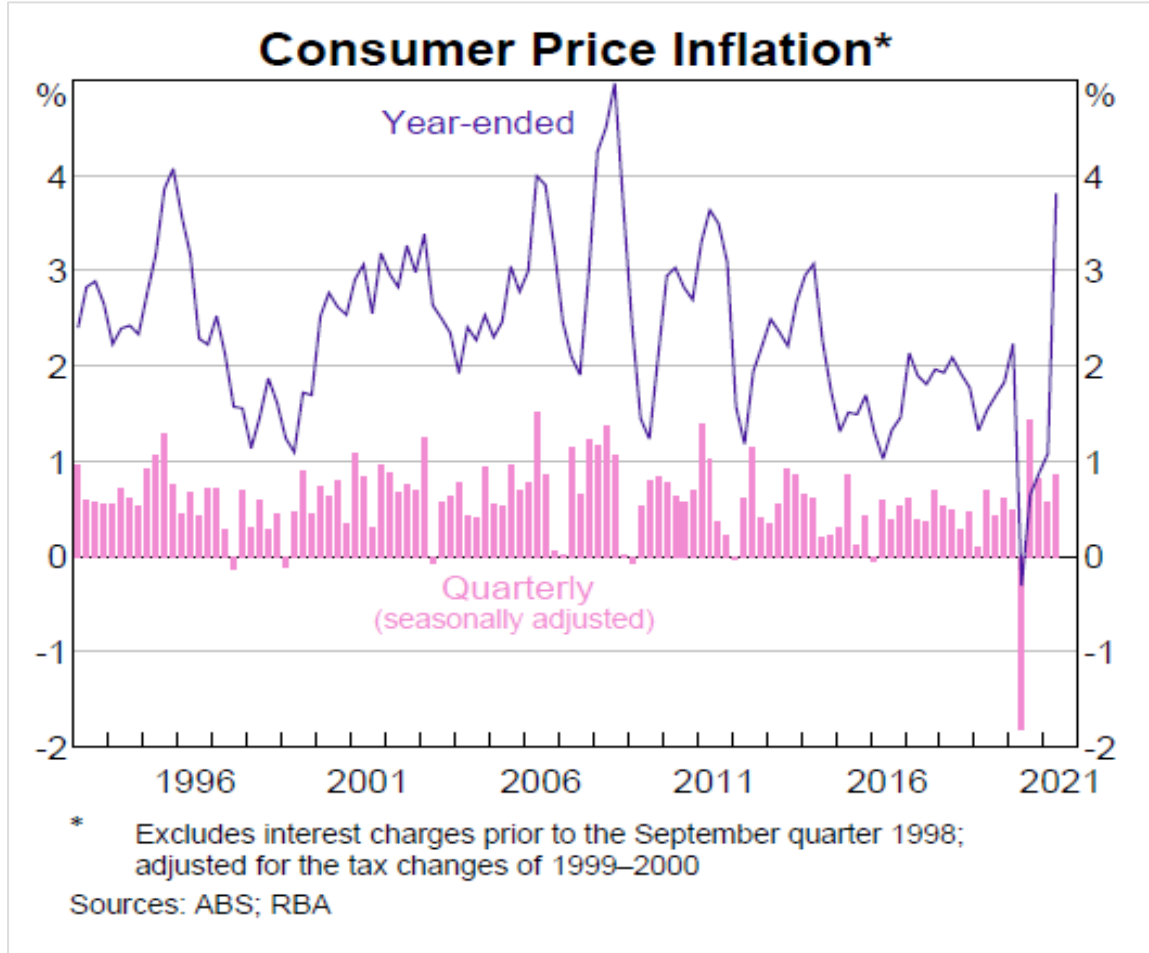
Vaccination – Australia/NZ slow start but now caught up and overtaking



Markets – Reflation and Growth rebound

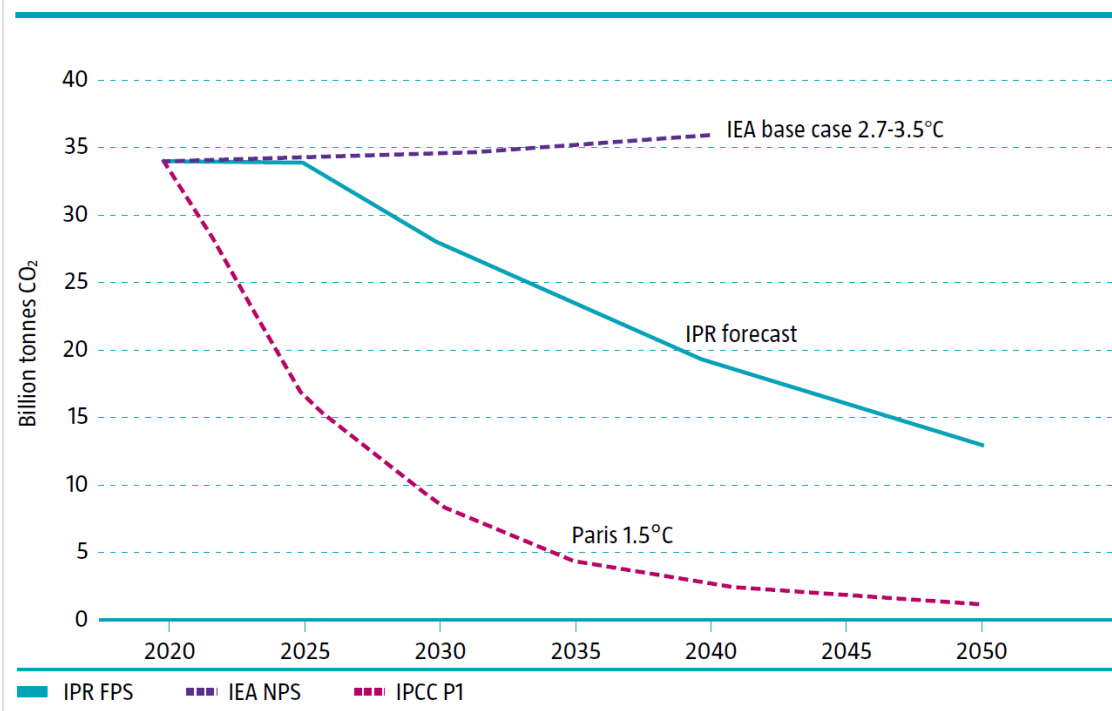


Inflation – Market still pricing ‘transitory’



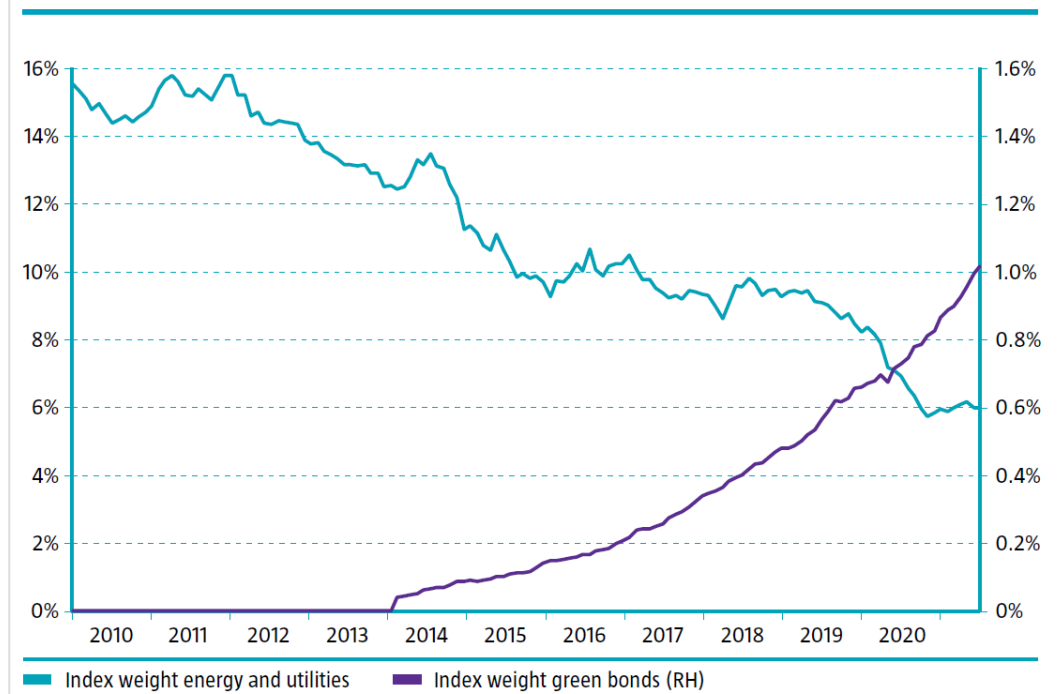
Climate – coming back to the fore post Covid

Figure 3.1: Global energy-related CO₂ emissions



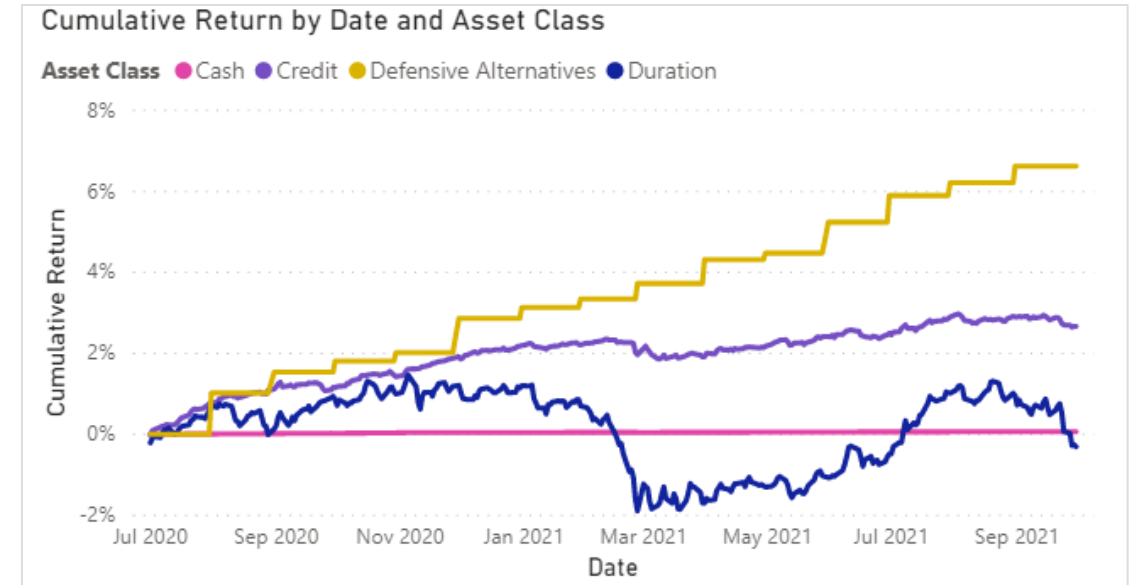
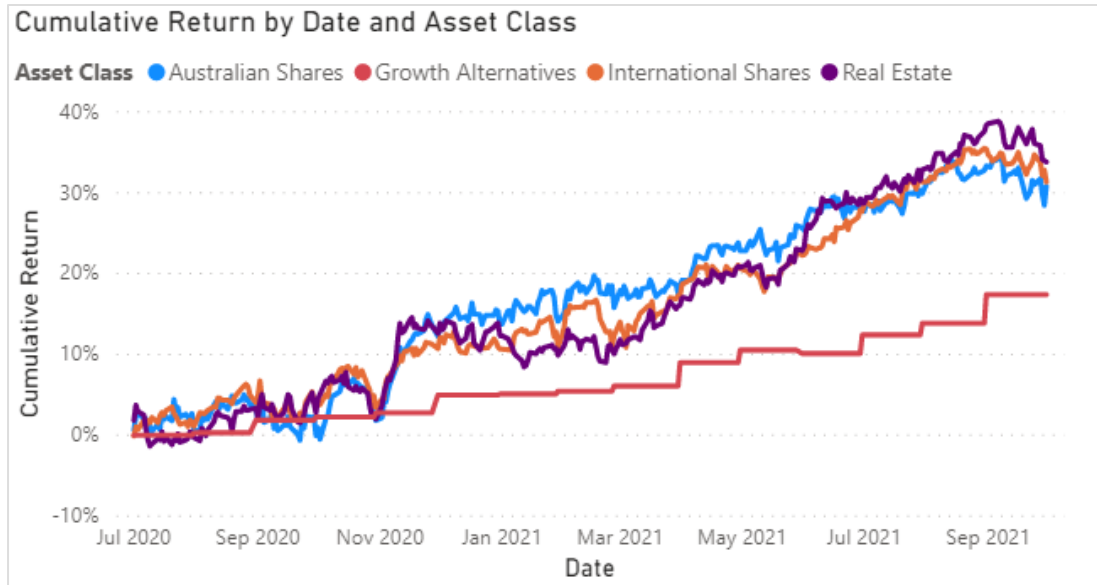
Source: Inevitable Policy Response (IPR) Investor Brief (March 2021), Robeco. The base case is sourced from the International Energy Agency's New Policies Scenario 2017. The Paris agreement scenario is by the Intergovernmental Panel on Climate Change. The IPR has forecasted its most likely scenario.

Figure 3.2: Relative weight of carbon-intensive equities and green bonds



Source: Robeco, Thomson Reuters Datastream, MSCI, Bloomberg Barclays. The blue line is the sum of the index weights of the MSCI Energy and MSCI Utilities sectors as a percentage of the MSCI World Index. The purple line is the market capitalization of the Bloomberg Barclays MSCI Global Green Bond Index divided by the market capitalization of the Bloomberg Barclays Global Aggregate Index.

FY21 in Asset Allocation



SAA 2020 Recap

- Cash was reduced
- International Shares was increased relative to Australian Shares
- Growth assets were increased
- Credit was increased relative to duration

Performance since June 2020

- Australian Shares, International Shares and Real Estate all delivered ~30%
- Credit outperformed Duration as 10y yields fell in March, then again in September.
- Alternatives rebounded steadily

Growth Alternatives: Asset Class and Sub Asset class exposure

Aimed to deliver a higher expected return, diversification to equities and lower risk

Growth Absolute return

- Focus on higher returning, less complex, more liquid strategies.
- Increase in expected return, inline with an expected increase in vol. and correlation with equity markets.
- Core and satellite approach, with core making up 40% of exposure.

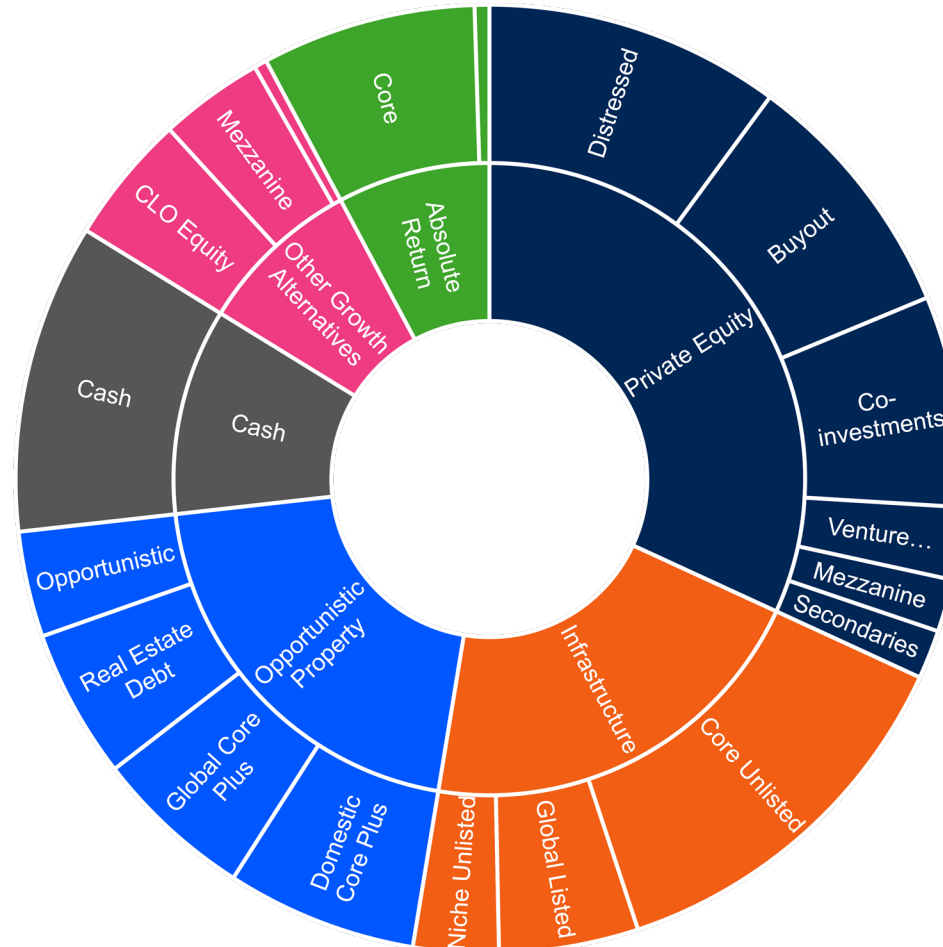
Other Growth Alts

- Retail allocation for genuinely esoteric investment opportunities.
- Will target a net IRR of 11% and a MOIC if greater than 1.5x

Opportunistic Property

- Increase exposure from 15% to 20%.
- Inclusion of Core-Plus real estate within the Opportunistic Property sector to improve cash flow, capital growth and lower fees.
- Consolidation of previous sub-strategies into a broader "Opportunistic Strategies" category.

Growth Opportunities Fund by Asset Class, Sub-Asset Class and Manager



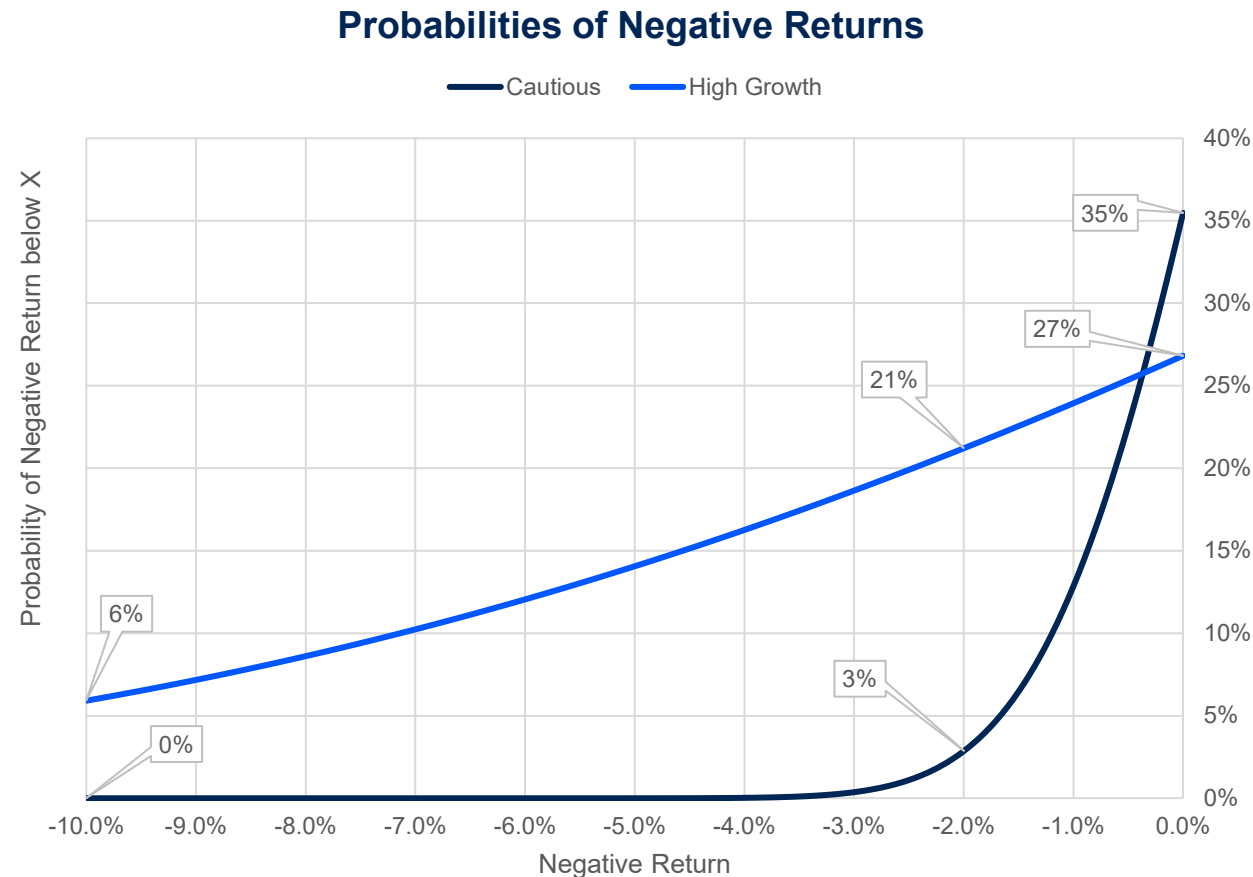
Private equity

- Reduction in exposure from 30% to 25%.
- Increase in Equity like investments.
- Reducing exposure to Mezz. debt and debt like investments (special situations, distressed debt).
- Introduction of a MOIC target of 1.75x
- Introduction of 'soft' targets for sub-asset class exposure.

Infrastructure

- Consistent and stable cashflows allows investors to rely on the yield.
- Yielding infrastructure can therefore assist in mitigating the j-curve associated with PE assets.
- Listed infrastructure to assist in improving liquidity profile

Clarification: Measures of Risk






- The probability of negative return is a common measure of risk, but it does not capture the **severity** of a negative return.

- In a low interest rate environment, this metric can be misleading.

Risk Profile	Expected Income p.a.	Expected Growth p.a.	Expected Total Return p.a.	Expected Volatility p.a.	Return Objective Above CPI	Over Rolling Period of (years)	Probability of Meeting Return Objective	Likelihood of Negative Return in 20 years
Cautious								
w/o Alts	1.5%	-1.0%	0.5%	1.3%	^%	1	49.2%	7.1
Conservative								
w/ Alts	2.6%	1.3%	3.9%	4.7%	1.0%	3	68.7%	4.2
w/o Alts	2.6%	0.8%	3.4%	4.8%	1.0%	3	62.0%	4.9
High Growth								
w/ Alts	2.6%	4.8%	7.4%	10.0%	4.0%	10	71.3%	4.7
w/o Alts	2.9%	4.3%	7.1%	11.2%	4.0%	10	67.0%	5.4

Outlook

How will changing macroeconomics affect our portfolios?

 Inflation	 Markets	 Outlook
<ul style="list-style-type: none">✓ In response to low inflation, the RBA has decreased rates over the last decade.✓ Inflation may return this decade due to deglobalisation and decarbonisation.✓ We expect both inflation and interest rates to be higher over the next decade.	<ul style="list-style-type: none">✓ Higher Inflation and Interest Rates will affect our asset classes differently.✓ Credit and Defensive Alternatives will see higher returns, with short-term shocks along the way.✓ Duration (Bonds) will experience lower returns in the short- to medium-term, but with higher returns in the long run.✓ The impact on growth asset classes is less predictable, but volatility will likely be higher as the market responds to these changes.	<ul style="list-style-type: none">✓ In Australia, the RBA has stated it will only start increasing the cash rate if inflation is sustainably on target, expected 2024.✓ Recent volatility and shifts in the yield curve show the market is expecting rate hikes much sooner, with first moves as soon as next year.✓ Inflation and interest rates, deglobalisation and geopolitics, decarbonisation and climate will be the major themes affecting markets into 2022.

Annie Rozenauers

General Manager Product

Member Services Update

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Member Services

Client Portal



Simple and intuitive

The Client Portal is simple and intuitive. You can even tailor your landing page to see key information at a glance.



Realtime data

Portfolio value data is updated in real time giving you up-to-date view of your investment portfolio.



Track your super

You can keep a track of cash or investment transactions, portfolio values and access market data. You can also manage your corporate actions.



Manage your super

We have added features to help manage your super more efficiently including the ability to add to super, submit a notice of tax deduction and update your beneficiaries.

Investor Call Centre



There to help you

Will help answer your questions including helping you navigate the Client Portal.



**You and
your advisor**

Adviser Online (New)



Functionality to manage your super

New adviser tools to help your adviser manage your contributions, pension payments, income, investments and other superannuation obligations.



Broad range of investments

A broad range of investments are offered which enable your adviser to build a diversified investment portfolio for you in order to help achieve your retirement goals.



Tools to monitor your super

New adviser reporting, data, reminders/alerts, Request Centre, investment updates and member information which helps your adviser monitor and manage your super.


Adviser Call Centre



There to help your adviser

The Adviser Call Centre helps support your adviser by answering key questions on your account, process transactions and responding to complicated queries.

Members' Questions and Answers

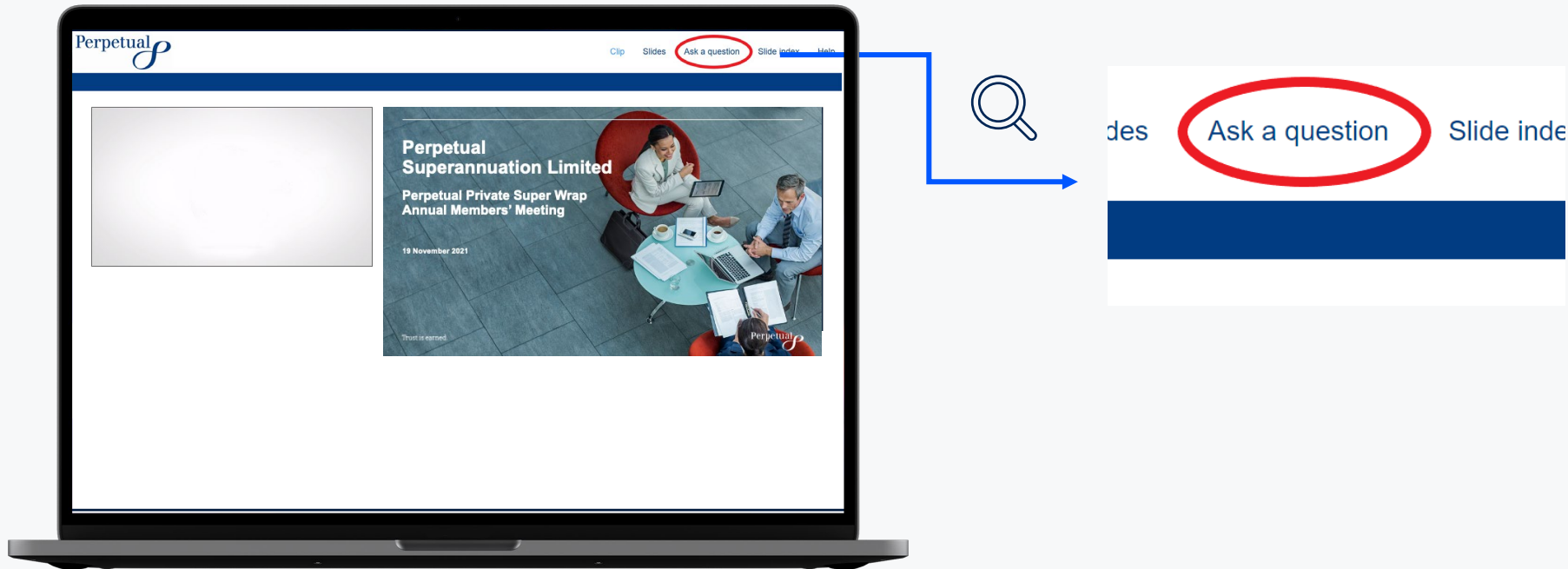
A photograph showing a man and a woman in a professional setting, likely an office or meeting room. The man, on the left, has grey hair and is wearing a dark suit jacket over a light blue shirt. He is looking towards the woman. The woman, on the right, has blonde hair tied back and is wearing a light-colored, short-sleeved top. She is gesturing with her hands as if speaking. The background is a blurred office environment with large windows.

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