
Perpetual WealthFocus Investment Advantage

Investment Book

**INVESTMENT BOOK
DATED 1 MARCH 2025**

Issued by Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

Important notes

This Investment Book is issued by Perpetual Investment Management Limited for Perpetual WealthFocus Investment Advantage.

The information in this document forms part of and should be read in conjunction with Product Disclosure Statement (PDS) issue number 11 dated 18 December 2023 for Perpetual WealthFocus Investment Advantage (including the current Features Book).

It contains important additional information about:

- how the Fund works (distribution frequencies and dates)
- how we invest your money.

We may update this document where we can according to the Fund's constitution and the law. The updated document will be available at www.perpetual.com.au and you can also obtain a copy free of charge upon request. You should keep a copy of this document and any updates to it for your reference.

All terms used in this Investment Book have the same meaning as in the PDS and Features Book for Perpetual WealthFocus Investment Advantage.

'PIML' in this document also refers to Perpetual Investment Management Limited as the investment manager of the underlying funds for the relevant investment options.

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 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 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

Asset class	Investment option	Page
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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.

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.																								
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	<p>The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.</p> <table border="1"> <thead> <tr> <th>Risk band</th> <th>Risk label</th> <th>Estimated number of negative annual returns over any 20 year period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Very low</td> <td>Less than 0.5</td> </tr> <tr> <td>2</td> <td>Low</td> <td>0.5 to less than 1</td> </tr> <tr> <td>3</td> <td>Low to medium</td> <td>1 to less than 2</td> </tr> <tr> <td>4</td> <td>Medium</td> <td>2 to less than 3</td> </tr> <tr> <td>5</td> <td>Medium to high</td> <td>3 to less than 4</td> </tr> <tr> <td>6</td> <td>High</td> <td>4 to less than 6</td> </tr> <tr> <td>7</td> <td>Very high</td> <td>6 or greater</td> </tr> </tbody> </table> <p>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 an investor 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.</p> <p>Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).</p> <p>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 the SRMs at any time will be available at our website.</p>	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
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																							
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.																								
Distribution frequency and dates	The distribution frequency is how often the investment option usually makes a distribution. The distribution dates are the effective dates for distributions. Payment of distributions not reinvested occurs after the distribution date (see 'Distributions' in the Features Book for details).																								
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, either directly or indirectly, 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 our website or contact us.

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 the PDS, is available at our website (see the PDS for details) or can be obtained free of charge by contacting us:

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

Investment option profiles

Category	Cash
Investment option name	Perpetual Cash
Investment manager	Perpetual Investment Management Limited
Risk level	1 – Very low
Suggested length of investment	No minimum
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December
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						
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December						
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, subordination or gearing. The fund can also invest in alternative income generating securities such as mortgages, infrastructure debt and private debt. This approach to portfolio construction is PIML's preferred method to deliver investors the highest possible risk adjusted returns.</p> <p>Derivatives may be used in managing the fund.¹</p>						
Investment guidelines	<table border="0" style="width: 100%;"> <tr> <td>Cash and investment grade securities²</td> <td style="text-align: right;">75-100%</td> </tr> <tr> <td>Sub-investment grade securities³ and non-rated securities. (includes mortgages and other private debt 0 -15%)</td> <td style="text-align: right;">0-25%</td> </tr> <tr> <td>Gearing level (of the fund's net asset value)</td> <td style="text-align: right;">0-25%</td> </tr> </table>	Cash and investment grade securities ²	75-100%	Sub-investment grade securities ³ and non-rated securities. (includes mortgages and other private debt 0 -15%)	0-25%	Gearing level (of the fund's net asset value)	0-25%
Cash and investment grade securities ²	75-100%						
Sub-investment grade securities ³ and non-rated securities. (includes mortgages and other private debt 0 -15%)	0-25%						
Gearing level (of the fund's net asset value)	0-25%						

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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	20-100%
	Global investment grade ⁴	0-50%
	Australian high yield ⁵	0-20%
	Global high yield ^{4, 5}	0-20%
	Cash	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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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 must demonstrate good management, strong competitive advantages and enjoy favourable industry dynamics.	
Investment guidelines	Australian securities	90-100%
	Cash and cash equivalents	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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	90-100%
	Cash	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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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 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>Derivatives may be used in managing the fund.⁷</p>	
Investment guidelines	Australian shares ⁶	90-100%
	Cash	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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	Australian shares ⁶	90-100%
	Cash	0-10%

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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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 Perpetual’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 Perpetual’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 Perpetual’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	Australian shares ⁶	90-100%
	Cash	0-10%

Category	Australian shares	
Investment option name	Perpetual Geared Australian	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Seven years or longer	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	Australian shares ⁶	90-100%
	Cash	0-10%
	Gearing level ¹¹	0-60%

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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	Industrial shares ¹²	90-100%
	Cash	0-10%

Category	Australian shares	
Investment option name	Perpetual SHARE-PLUS Long-Short Fund	
Investment manager	Perpetual Investment Management Limited	
Risk level	6 – High	
Suggested length of investment	Five years or longer	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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 above 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, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting 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 does not invest in companies that are classified in the tobacco industry (including companies that manufacture cigarettes and other tobacco products) by the Global Industry Classification Standard (GICS®).^{15,16}</p> <p>The currency exposure in the fund is unhedged.</p>	
Investment guidelines	Global shares ¹⁷ Cash ¹⁸	95-100% 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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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>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	
Distribution frequency and dates	Yearly – 30 June	
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) 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	
Distribution frequency and dates	Yearly – 30 June	
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.¹⁹</p>	
Investment guidelines	Global shares ²⁰	70-120%
	Cash	0-30%

Category	International shares	
Investment option name	Platinum International	
Investment manager	Platinum Investment Management Limited	
Risk level	7 – Very high	
Suggested length of investment	Five years or longer	
Distribution frequency and dates	Yearly – 30 June	
Objective	Aims to provide capital growth, where measured over at least five years, by investing in undervalued companies from around the world.	
Investment approach	The fund primarily invests in listed securities. The fund will ideally consist of 40 to 80 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued and may also use derivatives. The fund will typically have 50% or more net equity exposure. Platinum manages risk associated with currency exposure through the use of hedging devices (eg foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.	
Investment guidelines	International equities ²¹	0-100%
	Cash and cash equivalent investments ²²	0-100%

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	
Distribution frequency and dates	Yearly – 30 June	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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 ²³	
Suggested length of investment	Three years or longer	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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.^{1,7}</p>	
Investment guidelines	<p>Australian shares²⁴</p> <p>International shares²⁴</p> <p>Property</p> <p>Fixed income and credit²⁵</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	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
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.^{1,7}</p>	
Investment guidelines	<p>Australian shares²⁴</p> <p>International shares²⁴</p> <p>Property</p> <p>Fixed income and credit²⁵</p> <p>Cash</p> <p>Other investments</p>	<p>10-35%</p> <p>10-30%</p> <p>0-15%</p> <p>10-55%</p> <p>0-30%</p> <p>0-30%</p>

Category	Multi Asset - balanced	
Investment option name	Perpetual Diversified Real Return	
Investment manager	Perpetual Investment Management Limited	
Risk level	4 – Medium ²³	
Suggested length of investment	Five years or longer when targeting a pre-tax (before fees and taxes) return of inflation ²⁶ plus 5% per annum. Two years or longer when targeting to minimise downside risk. ²⁷	
Distribution frequency and dates	Quarterly – 31 March, 30 June, 30 September and 31 December	
Objective	Aims to target a pre-tax return of 5% per annum above inflation ²⁶ (before fees and taxes) over rolling five-year periods, while minimising downside risk ²⁷ 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. 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 assets²⁸ will be limited to 18% of the net asset value of the fund.</p>	
Investment guidelines	<p>Australian shares²⁹</p> <p>International shares²⁹</p> <p>Property</p> <p>Fixed income and credit²⁵</p> <p>Commodities</p> <p>Other investments</p> <p>Cash</p>	<p>0-50%</p> <p>0-50%</p> <p>0-15%</p> <p>0-100%</p> <p>0-15%</p> <p>0-30%</p> <p>0-100%</p>

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	
Distribution frequency and dates	Half-yearly – 30 June and 31 December	
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	<p>Australian equities</p> <p>International equities</p> <p>Emerging market equities</p> <p>Global listed infrastructure</p> <p>International listed property</p> <p>Australian fixed income</p> <p>International fixed income</p> <p>Australian corporate bonds</p> <p>Gold</p> <p>Cash³⁰</p> <p>(Foreign currency exposure)</p>	<p>28.0%</p> <p>25.0%</p> <p>8.0%</p> <p>5.0%</p> <p>5.0%</p> <p>8.5%</p> <p>7.5%</p> <p>5.0%</p> <p>5.0%</p> <p>3.0%</p> <p>34.0%</p>

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	
Distribution frequency and dates	Quarterly - 31 March, 30 June, 30 September and 31 December	
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.^{1,7}</p>	
Investment guidelines	<p>Australian shares²⁴</p> <p>International shares²⁴</p> <p>Property</p> <p>Fixed income and credit²⁵</p> <p>Cash</p> <p>Other investments</p>	<p>10-50%</p> <p>10-50%</p> <p>0-15%</p> <p>0-45%</p> <p>0-30%</p> <p>0-30%</p>

Footnotes to investment option profiles

- 1 The use of derivatives may include, but is not limited to, managing actual and anticipated interest rate and credit risk, currency and credit exposure. They may also be used for hedging, arbitrage, as a replacement for trading a physical security and for managing the duration of the fund.
- 2 Investment grade is a term given to securities that have a high probability of payment of interest and repayment of principal and are generally considered to be investments with a rating of BBB- or above.
- 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 and are generally considered to be investments with a rating below BBB-. The fund typically invests in investment grade securities, but we may increase our 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 Each fund's exposure to derivatives is limited to 10% of the fund's net asset value except in exceptional circumstances. 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 For additional information on GICS, please visit www.msci.com/our-solutions/indexes/gics
- 16 The Global Industry Classification Standard ('GICS') was developed by and is the exclusive property and a service mark of MSCI Inc. ('MSCI') and S&P Global Market Intelligence ('S&P') and is licensed for use by Perpetual Services Pty Limited. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
- 17 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.
- 18 Cash may be held in Australian dollars (AUD) or foreign currencies.
- 19 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.
- 20 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.
- 21 The fund may invest in bullion and other physical commodities, but the total value of such investments at the time of acquisition will not exceed 20% of the NAV of the fund.
- 22 Cash and cash equivalent investments may be held in Australian dollars (AUD) or foreign currencies and typically represents less than 40% of the fund's NAV
- 23 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.
- 24 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.
- 25 This investment option may invest in fixed income funds that allow gearing.
- 26 Inflation is defined as the quarterly All Groups Consumer Price Index (CPI), as measured and published by the Australian Bureau of Statistics.
- 27 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.
- 28 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.
- 29 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%.

30 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 during the life of this Investment Book. Details about the current investment managers at any time are available at www.perpetual.com.au 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

Underlying investment managers for the investment options have their own policies regarding their method for considering environmental, social (including labour standards) and governance (ESG) factors which may influence the purchase, sale or retention of an individual investment.

We consider these policies when choosing investment managers only to the extent that they may have an effect on an investment manager's style and investment performance. We don't consider these factors by attempting to apply ethical standards, but rather we look to ensure that managers maintain an investment framework that will take all relevant factors into account when assessing the current and potential future value of individual investments. We will neither choose nor exclude a manager solely on their ESG policies/practices but it will contribute to our overall assessment of a manager's style and capability.

Where PIML acts as the investment manager to the investment options

PIML believes that the relevance of ESG issues to the performance of investment products has become more apparent. PIML recognises the growing expectation that companies conduct themselves responsibly and sustainably. PIML has a long-standing commitment to responsible investing; and in 2009 became a signatory to the United Nations supported Principles for Responsible Investment (PRI).

PIML's investment philosophy acknowledges that while traditional financial measures are an important consideration, ESG matters can also influence investment performance. PIML incorporates an assessment of ESG factors (including labour standards) in the investment analysis and the decision to select, retain or sell an investment, where those considerations are determined by the portfolio managers as a factor that may impact the current or future financial performance of the investment.

PIML has a process to integrate ESG factors into the active investment capabilities across equities, fixed income and credit. This process considers:

- what ESG factors the investment is exposed to and whether any of these factors present risks to the investment's current or future financial performance
- what impact ESG factors are likely to have on the investment's prospects; and
- how well ESG factors are being managed by the company, and therefore how likely the possible impacts are to occur.

PIML uses the following tools and processes to integrate ESG:

- Australian equities – an ESG integration tool called the 'ESG Workbook' which draws together both internal and external research using qualitative and quantitative data to highlight a company's ESG risks and issues. This tool provides the portfolio manager with information

to assess as part of the investment decision-making process whether these factors may have an impact on the current or future financial performance of the company. Examples of ESG related information captured in the tool include the company's environmental policy, worker health and safety policy and corporate governance.

- Fixed income and credit – PIML's ESG risk scoring process, which includes internal and external research on an issuer's approach to managing ESG factors and the issuer's revenue sources, allows credit analysts to assess as part of their credit research on each corporate issuer, the ESG risks of that issuer and whether the issuer has any controls or measures in place to address these risks. The credit analyst uses this information to determine an ESG risk score between 1 (low) and 4 (very high). This score is included in each corporate issuer's credit profile. It assists the portfolio manager to evaluate credit risk and relative value pricing considerations in managing credit portfolios.

There are certain asset classes where ESG factors (including labour standards) are not taken into account when deciding whether to select, retain or sell an investment. This may include derivatives, commodities and exchange traded products.

PIML does not have a set approach or time frame to monitoring or reviewing adherence to this process of considering ESG factors and where an ESG factor negatively impacts the current or future financial performance of an investment, PIML will consider whether to select, retain or sell it on a case by case basis

Apart from the Perpetual ESG Australian Share investment option, PIML's consideration of ESG factors do not include making ethical or moral judgment on particular practices for the purpose of selecting, retaining or selling an investment.

Where PIML believes it is in the interest of the fund's investors, PIML may also actively engage with companies to encourage them to improve their ESG practices by:

- having processes and systems in place to identify and manage ESG risks effectively that may impact the current or future value of the company;
- being transparent, honest and accountable, which includes providing the level of disclosure necessary for informed investment decision-making, and
- implementing corporate structures and management incentives which ensure the company is managed in the long-term interests of shareholders (which includes sustainable business practices).

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 screens. 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.

Values-based Exclusionary Screen

This screen is designed to identify and exclude companies that derive a proportion of their revenue¹ from involvement in the 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 Moody's Analytics. The data provided is based on Moody's Analytics' proprietary research and publicly disclosed representations from the companies they research. Thus, the data provided may not be a complete representation of a company 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 or distribution of alcoholic beverages, including the wholesaling and retail of alcoholic beverages manufactured by other companies.	5% or more of company revenue
Animal Cruelty	Animal testing by producers of cosmetic products.	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	Provision 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, development or maintenance of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium), 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) 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. Companies will breach the involvement threshold if their combined revenue from all Values-based activities above is 5% or more.

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 scored (both positively and negatively) on a broad range of ESG factors shown in the table below. These scores are totalled to arrive at a single score for each company.

Companies that receive a negative total score fail this exclusionary screen and will not be considered for investment by the ESG Option. A zero or positive score will allow a company to be considered for investment by the ESG Option.

To administer the ESG Exclusionary Screen, data is provided by Moody's Analytics to help determine the involvement considerations and the applicable threshold or measure shown below. The data is based on Moody's Analytics' 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.

ESG SCORING - COMPANY		
ESG ISSUE	WHAT INVOLVEMENT DO WE CONSIDER	THRESHOLD/MEASURE
Environmental Risk, Policy and Performance	Company operating in high environmental risk industry ¹ , considering atmospheric emissions, pollution, water and waste.	Companies involved will begin with a negative score but this will be reduced or eliminated depending on the actions taken by the company to mitigate these risks.
Energy Use and Renewables	Effective management of energy consumption and resulting atmospheric emissions (including carbon dioxide and other greenhouse gases).	A positive public commitment ² to reducing consumption and emissions will increase a company score.
Product and Services Environmental impact	Effective management of the environmental impacts related to the use of its products/services, including disposal and product packaging.	A positive public commitment ² to limit the environmental impacts of the use of its products/services will increase a company score.
Chemicals of concern	Production of substances hazardous to human health and the environment banned under relevant international conventions ³ .	Any company involved in the production of banned substances will have their score reduced.
Animal Welfare (Fur)	Production or sale of fur products including raising animals for their fur, fur processing and manufacture and sale of fur clothing.	Any company that derives 5% or more of company revenue ⁴ from the fur trade will have their score reduced.
Genetically Modified (GMO) food	Policy to avoid or label GMO ingredients in food or beverage products.	Companies which have a publicly disclosed policy to avoid or label GMO ingredients in their products will have their scores increased.
Health and Safety Risk and Approach	Company operating in high worker Health and Safety risk industry, considering approach to prevent accidents, occupational diseases and other work-related health and safety issues.	Companies involved will begin with a negative score but this will be reduced or eliminated depending on the actions taken by the company to mitigate these risks.
Human Rights	Fundamental human rights linked to company operations, products or services, including consultation with stakeholders, due diligence, remediation, privacy, personal security, property rights, indigenous rights.	A positive public commitment ² to the fundamental human rights of stakeholders in company operations will increase a company score.
Discrimination and Diversity	The prevention of discrimination and the promotion of diversity, including policies, monitoring and complaints systems.	A positive public commitment ² to the prevention of discrimination and the promotion of diversity will increase a company score.
Supply Chain Risk and Approach	Company operating in high supply chain risk industry, considering labour factors in the supply chain including freedom of association, abolition of forced and child labour, non-discrimination and health and safety.	Companies involved will begin with a negative score but this will be reduced or eliminated depending on the actions taken by the company to mitigate these risks.
Community Involvement	Community involvement including upstream analysis (responsible local development including tax transparency), downstream analysis (customised at sector level) and corporate philanthropy.	A positive public commitment ² to community involvement will increase a company score.
Product Impacts and Approach	Company operating in high product impacts (including obesity) risk industry, considering the product impacts of each industry sector.	Companies involved will begin with a negative score but this will be reduced or eliminated depending on the actions taken by the company to mitigate these risks.

Corporate Conduct Risk and Approach	Company operating in high corruption risk industry, considering prevention of corruption including inappropriate payments and gifts, extortion, fraud, embezzlement, money laundering, conflicts of interest and illegal financing of political parties.	Companies involved will begin with a negative score but this will be reduced or eliminated depending on the actions taken by the company to mitigate these risks.
Corporate Conduct Performance (Misconduct)	Corporate misconduct incidents demonstrating a failure to meet a corporate conduct standard consistent with the values-based nature of the ESG Option ⁵ .	Unacceptable corporate misconduct ⁵ history, considering frequency, severity and remediation of misconduct will result in a negative score.
ESG-Positive Products and Services	Products and services that positively contribute to the United Nations Sustainable Development Goals ⁶ (SDGs) grouped under six themes - energy & climate change, water & sanitation, protection of ecosystems, food & nutrition, health and infrastructure.	A company will have their score increased based on an assessment of the number of SDG themes and degree of involvement their products or services contribute toward.

- 1 PIML classifies high-environment risk industries based on a combination of proprietary research and third-party data providers. Classification criteria will vary based on PIML's assessment of the unique risks presented by each industry.
- 2 The drivers of this assessment will vary depending on the ESG issue however they are based on international norms and standards emanating from organisations such as the United Nations.
- 3 UNEP 25 Stockholm, OSPAR, Montreal Protocol On Substances That Deplete The Ozone Layer.
- 4 Calculated using the total gross amount of revenue generated by the sale of goods or services from normal business operations.
- 5 A company 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.
- 6 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.

We 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.responsibleinvestments.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 for details) or you can obtain a copy free of charge by contacting us.

Additional information about certain 'complex' funds

ASIC requires the following specific information be provided for certain funds that pursue complex investment strategies (eg via use of leverage, derivatives and short selling) and/or have other characteristics (eg complex structures and/or performance fees) that may result in increased risk:

- periodic reporting
- investment strategy
- investment manager
- fund structure
- valuation, location and custody of assets
- liquidity
- leverage
- derivatives
- short selling
- withdrawals.

To the extent that any particular details about the underlying funds for the following investment options are not already disclosed in the PDS (including this Investment Book), such additional information, which also forms part of the PDS, will be available at www.perpetual.com.au (see the PDS for details) or can be obtained free of charge by contacting us:

- Perpetual SHARE-PLUS Long-Short
- Platinum International
- BlackRock Tactical Growth.

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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