



Perpetual Select Super Plan and Pension Plan

CHANGES TO INVESTMENT OPTIONS

Perpetual Select Super Plan and Pension Plan is amending the investment guidelines and CPI investment return objective for the multi-asset class investment options from 1 October 2020. Additionally, the Standard Risk Measures (SRMs) are changing for some investment options.

WHAT IS CHANGING

Following a comprehensive review of the investment strategies for Perpetual Select Super Plan and Pension Plan, there will be changes to some of the investment options from 1 October 2020 including:

- updated CPI return objectives for the multi-asset class investment options;
- updated investment guidelines for the multi-asset class investment options;
- updated standard risk measures (SRMs) and minimum suggested timeframe for some investment options.

The updates to investment objectives and investment guidelines are aimed at helping each option achieve its target given current and expected market conditions.

CHANGES TO CPI RETURN OBJECTIVES

INVESTMENT OPTION	CURRENT CPI INVESTMENT RETURN OBJECTIVE		CPI INVESTMENT RETURN OBJECTIVE FROM 1 OCTOBER 2020	
	Super Plan	Pension Plan	Super Plan	Pension Plan
Conservative	CPI + 1.5% over 3 years	CPI + 2.5% over 3 years	CPI + 0.75% over 3 years	CPI + 1.0% over 3 years
Diversified	CPI + 2.0% over 4 years	CPI + 3.0% over 4 years	CPI + 1.5% over 5 years	CPI + 2.0% over 5 years
Balanced	CPI + 2.5% over 5 years	CPI + 3.5% over 5 years	CPI + 2.25% over 7 years	CPI + 3.0% over 7 years
Growth	CPI + 3.0% over 5-10 years	CPI + 4.0% over 5-10 years	CPI + 3.0% over 10 years	CPI + 3.5% over 10 years
High growth	CPI + 3.5% over 10 years	CPI + 4.5% over 10 years	CPI + 3.25% over 10 years	CPI + 4.0% over 10 years

CHANGES TO INVESTMENT GUIDELINES

CONSERVATIVE

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	5-30%	0-30%
Fixed Income	10-45%	10-40%
Diversified Credit	0-30%	20-60%
Income Alternatives	0-10%	0-20%
Real Estate	0-10%	0-10%
Australian Shares	5-20%	5-20%
International Shares	5-20%	10-30%
Growth Alternatives	0-15%	0-10%

BALANCED

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	0-15%	0-30%
Fixed Income	0-30%	5-20%
Diversified Credit	0-20%	5-25%
Income Alternatives	0-10%	0-10%
Real Estate	5-15%	0-15%
Australian Shares	10-35%	10-35%
International Shares	10-35%	15-50%
Growth Alternatives	0-20%	0-20%

HIGH GROWTH

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	0-15%	0-30%
Real Estate	5-20%	5-20%
Australian Shares	20-45%	15-40%
International Shares	20-45%	20-60%
Growth Alternatives	0-25%	0-20%

DIVERSIFIED

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	0-25%	0-30%
Fixed Income	10-40%	10-30%
Diversified Credit	0-25%	10-40%
Income Alternatives	0-10%	0-10%
Real Estate	5-15%	0-15%
Australian Shares	5-25%	10-25%
International Shares	5-25%	15-40%
Growth Alternatives	0-20%	0-20%

GROWTH

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	0-15%	0-30%
Fixed Income	0-25%	0-10%
Diversified Credit	0-10%	0-10%
Income Alternatives	0-10%	0-10%
Real Estate	5-15%	0-15%
Australian Shares	15-45%	15-40%
International Shares	15-45%	20-60%
Growth Alternatives	0-20%	0-20%

GEARED HIGH GROWTH

ASSET CLASS	CURRENT INVESTMENT GUIDELINES	INVESTMENT GUIDELINES FROM 1 OCT 2020
Cash	0-15%	0-30%
Real Estate	5-20%	5-25%
Australian Shares	20-45%	15-45%
International Shares	20-45%	20-65%
Growth Alternatives	0-25%	0-13%

STANDARD RISK MEASURE

The SRM is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The SRM is not a complete assessment of all forms of investment risk, it does not consider what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. You should ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

Please refer to the below table which details the risk bands and the estimated number of negative returns over any 20-year period.

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

INVESTMENT OPTION	STANDARD RISK MEASURE		MINIMUM SUGGESTED TIMEFRAME	
	CURRENT	FROM 1 OCTOBER 2020	CURRENT	FROM 1 OCTOBER 2020
Conservative	4 - Medium	5 - Medium to High	Three years or more	No Change
Diversified	5 - Medium to high	6 - High	Five years or more	No Change
Balanced	5 - Medium to high	6 - High	Five years or more	No Change
Growth	6 - High	6 - High	Five years or more	No Change
High Growth	6 - High	6 - High	Five years or more	Seven years or more
Geared High Growth	6 - High	6 - High	Seven years or more	No Change
Cash	1 - Very low	2 - Low	Two years or less	No Change
Fixed Income	3- Low to medium	5 - Medium to High	Two years or more	Three years or more
Real Estate	7 - Very high	7 - Very high	Five years or more	No Change
Australian Share	6 - High	6 - High	Five years or more	No Change
Geared Australian Share	7 - Very high	7 - Very high	Seven years or more	No Change
Limited Share	6 - High	6 - High	Five years or more	No Change
International Share	6 - High	6 - High	Five years or more	No Change

The information contained in this flyer is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

FURTHER INFORMATION

For further information, please contact us on 1800 003 001 between 8:30am and 6:00pm (AEST) Monday to Friday or speak to your financial adviser. Alternatively, you can visit our website at www.perpetual.com.au/investments/superannuation or email us at investments@perpetual.com.au.

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MORE INFORMATION

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