
Perpetual Superannuation Limited

Perpetual's Select Superannuation Fund Annual Members' Meeting

3 November 2022

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General information

This information has been prepared by Perpetual Superannuation Limited ABN 84 008 416 831 (PSL), AFSL 225246, RSE L0003315 (as trustee for Perpetual's Select Superannuation Fund ABN 51 068 260 563, RSE R1057034). It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

The product disclosure statements (PDSs) for the Perpetual Select Super Plan and Pension Plan, issued by PSL, should be considered before deciding whether to acquire or hold units in the Fund. The PDSs and Target Market Determinations can be obtained by calling 1800 003 001 or visiting our website www.perpetual.com.au.

No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance.

Net returns shown are for the Super Plan and have been calculated net of fees, costs and income tax of up to 15%. No allowance has been made for any fee rebates.

Janet Torney

Chair

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Agenda

Acknowledgement of Country

Introduction to key people

Chair's address

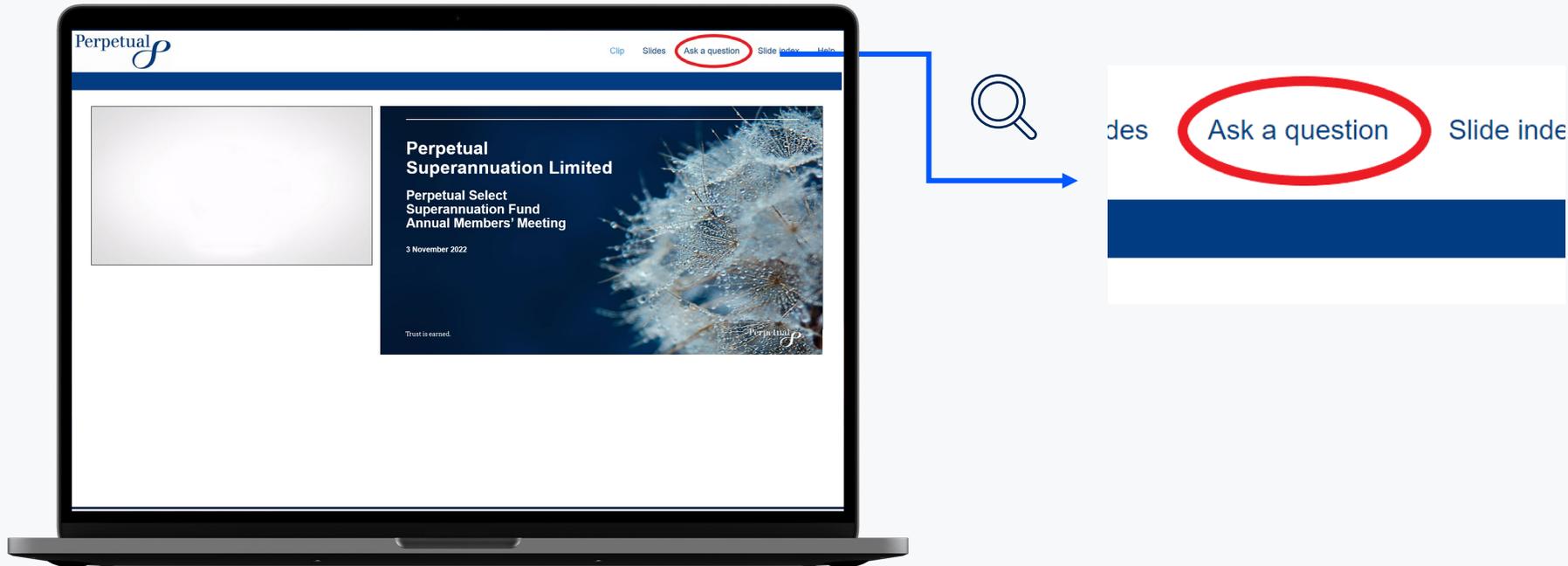
Investment performance and market update

Member services update

Members' questions and answers

Submit a question

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



If your question relates specifically to your account, we will contact you directly to discuss. Alternatively, our Contact Centre is available to assist on 1800 003 001.

Perpetual Superannuation Limited – key executives

Governance Tier	Board	Janet Torney Chair & Non Executive Director	Kerry Adby Non Executive Director	Jocelyn Furlan Non Executive Director	Chris Green Executive Director	Mark Smith Executive Director	
	Board Committees	Audit and Risk Committee Jocelyn Furlan (Chair) Janet Torney (NED) Kerry Adby (NED)	Investment Committee Kerry Adby (Chair) Janet Torney (NED) Mark Smith (Executive Director) Jonathan Sweeney (Independent Member)	Nominations Committee Janet Torney (NED) Chris Green (Executive Director) Paul Chasemore (Executive General Manager, People)	People & Remuneration Committee Nancy Fox (Chair & Perpetual Ltd NED) Fiona Trafford-Walker (Perpetual Ltd NED) Greg Cooper (Perpetual Ltd NED)		
		Catherine Payne Head of Office of the Superannuation Trustee					
Operating Tier	Key Management Personnel	Sam Mosse Chief Risk Officer			Amanda Gazal Chief Operating Officer		
		Claudia Rososinski PSL Company Secretary			Annie Rozenauers Global Head of Product		
					Gordon Thompson Senior Manager Superannuation and Retirement Solutions		
External Service Providers ¹		State Street Custodian and Fund Administrator		Tech Mahindra Member Administration		AIA Insurer	
		KPMG External Auditor Nicholas Buchanan					

1. External service providers may be engaged indirectly via related parties

Our strategy

Purpose: Enduring prosperity for the lifetime of our members

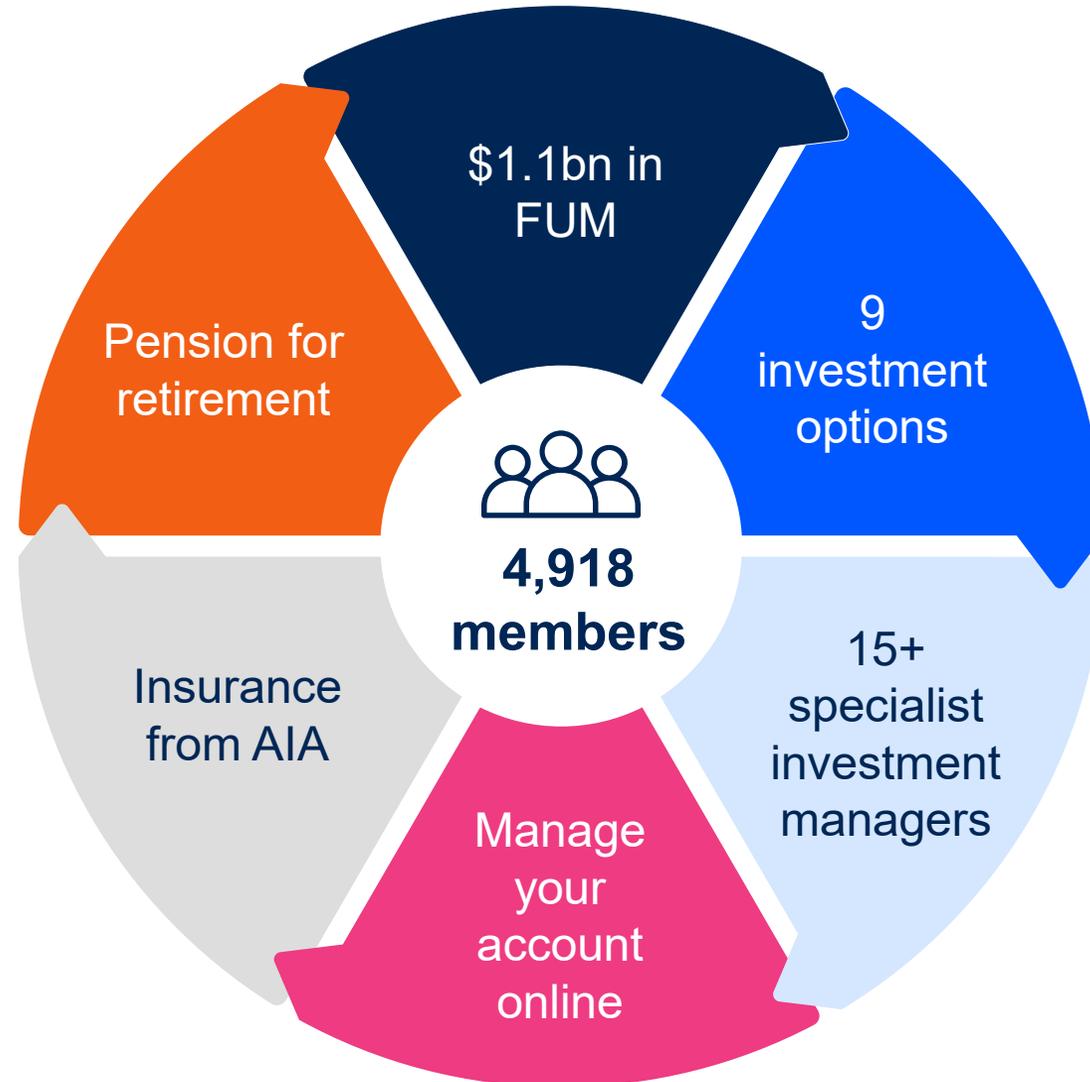
Vision: to be the trusted provider of market-leading superannuation solutions in our chosen segments

Values: Excellence, Integrity & Partnership

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

Underpinned by our Risk Appetite Statement

Your Fund as at 30 June 2022



Kyle Lidbury

Head of Investment Research

Investment Performance & Market Update

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Key investment themes driving markets

Investment markets begin transitioning to a new 'normal'

1.

Inflation remains significantly elevated

Central banks will prioritise reigning in inflation over avoiding a recession.

2.

Monetary tightening is dominating investment markets, elevating recession fears and driving down domestic home prices.

3.

Geopolitics have been contributing to volatility, with the war in Ukraine impacting commodity prices.

4.

Chinese COVID-19 lockdowns continue to impact supply chains adding to inflationary pressures.



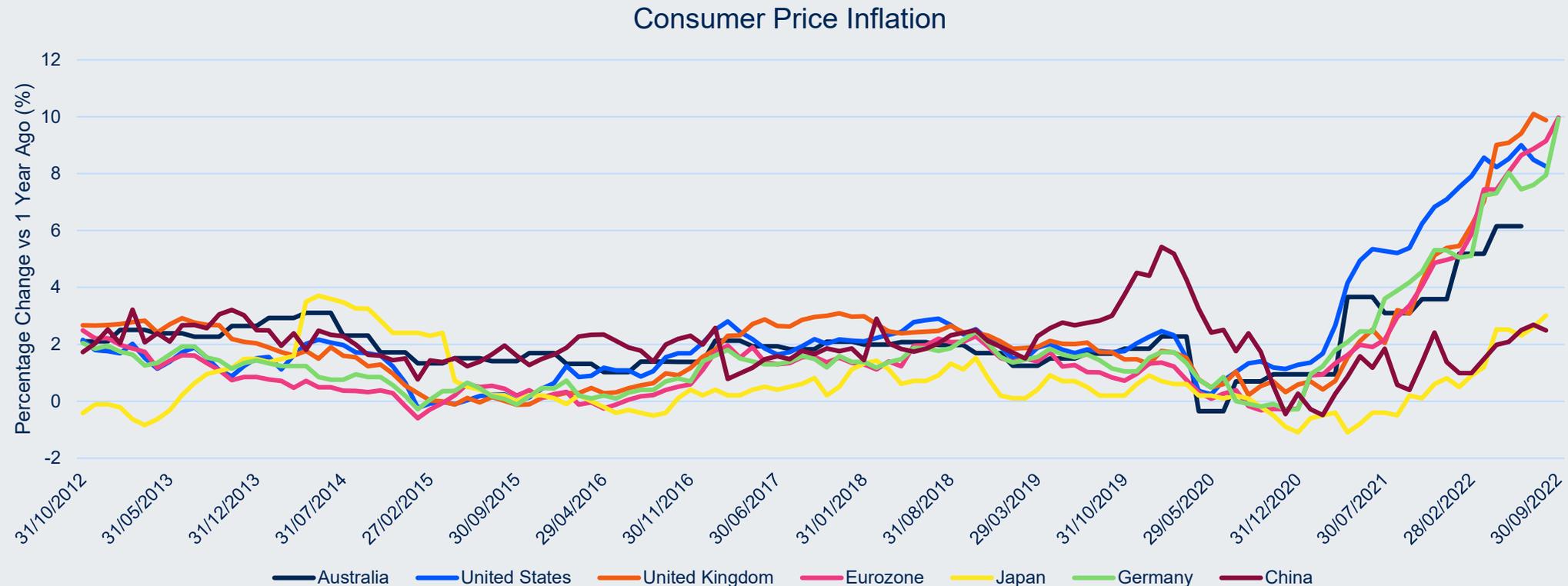
We retain neutral weights to growth assets as disruptive thematics play out.

We see relative value in Alternative investments, Australian shares and Value style equity managers.

We continue to hold underweights to Growth stocks, international equities and long duration bonds.

Inflation

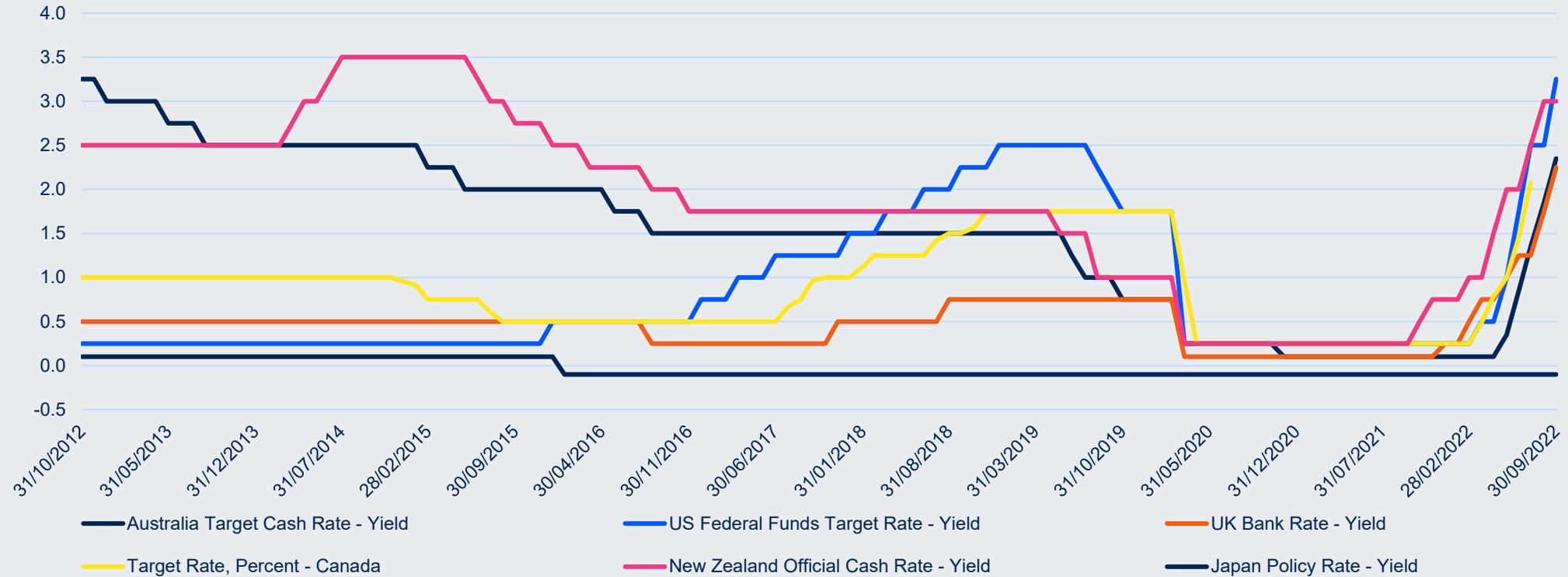
Inflation remains at 40-year highs – Have we reached the peak?



Tentative signs that inflation has begun to soften slightly after significant acceleration in the first half of 2022. However, inflation remains at multi-decade highs across several developed nations. Central banks remain committed to tightening monetary policy and curbing inflation. RBA expects inflation to peak later in 2022 before declining back towards 4% next year.

Interest rates

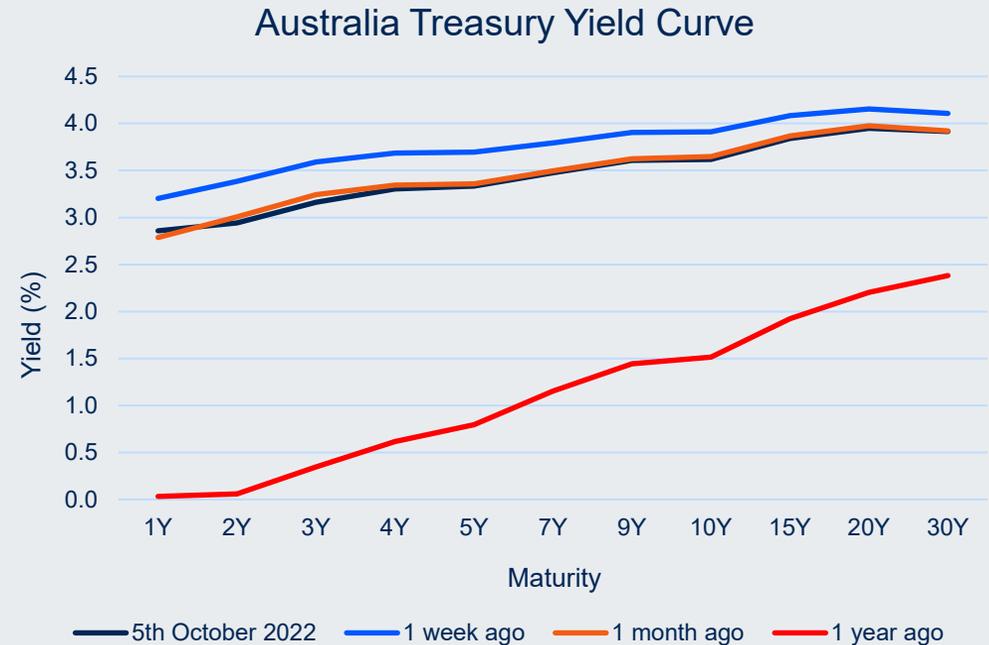
Central banks maintain hawkish view on monetary policy to curb inflation



Central banks will continue tightening until there is sufficient evidence that inflation is declining.
RBA hiked rates by 25bps in October, breaking from the trend of consecutive 50bps.
RBA tempering rates hikes to assess lagged impacts of previous rate increases.
US headline inflation remains at 40-year highs, rates hiked by 75bps for the 3rd time this year.

Yield Curves

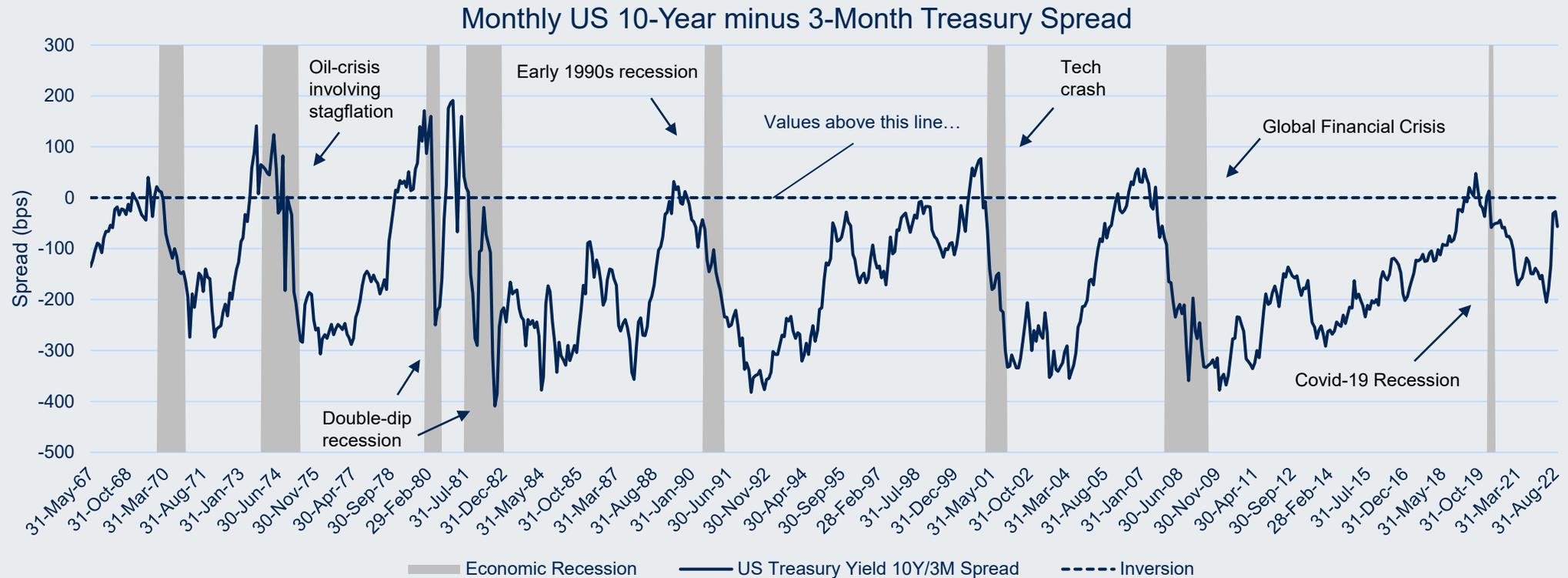
Yield curve nearing inversion in the US – Is this a sign of things to come?



- | Short term yields have risen sharply as investors opinions of the economic outlook weakens.
- | Yield curve have shifted upwards across all maturities due to aggressive central bank rate hikes.
- | In the US we have seen a sustained yield curve inversion which is an indicator of an upcoming recession.
- | The Australian yield curve has flattened but has not inverted.

Yield Curves

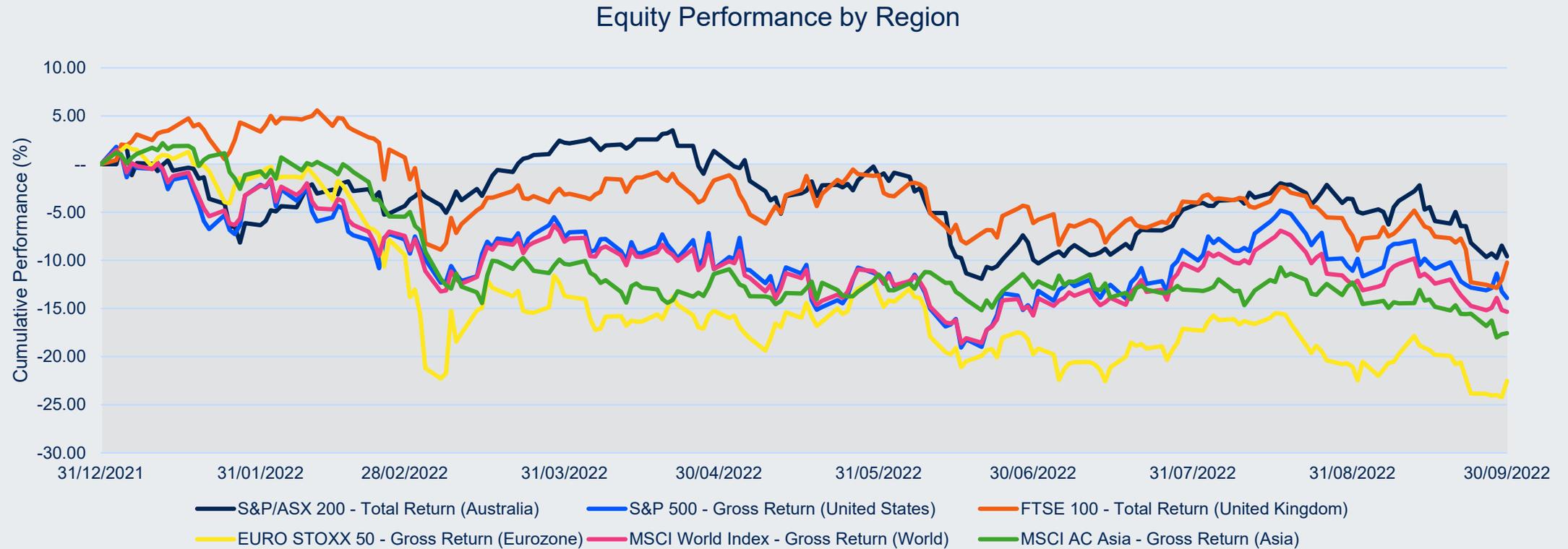
Yield curve inversion in the US – Is this a sign of things to come?



- Every curve inversion since 1967 has preceded a recession in the US by approximately 6-18 months.
- The 2-year, 10-year US yield curve has been inverted for the past few months.
- The 3-month, 10-year US yield curve last inverted during the initial stages of the Covid-19 pandemic.
- Already in a technical recession but labour data is still strong.

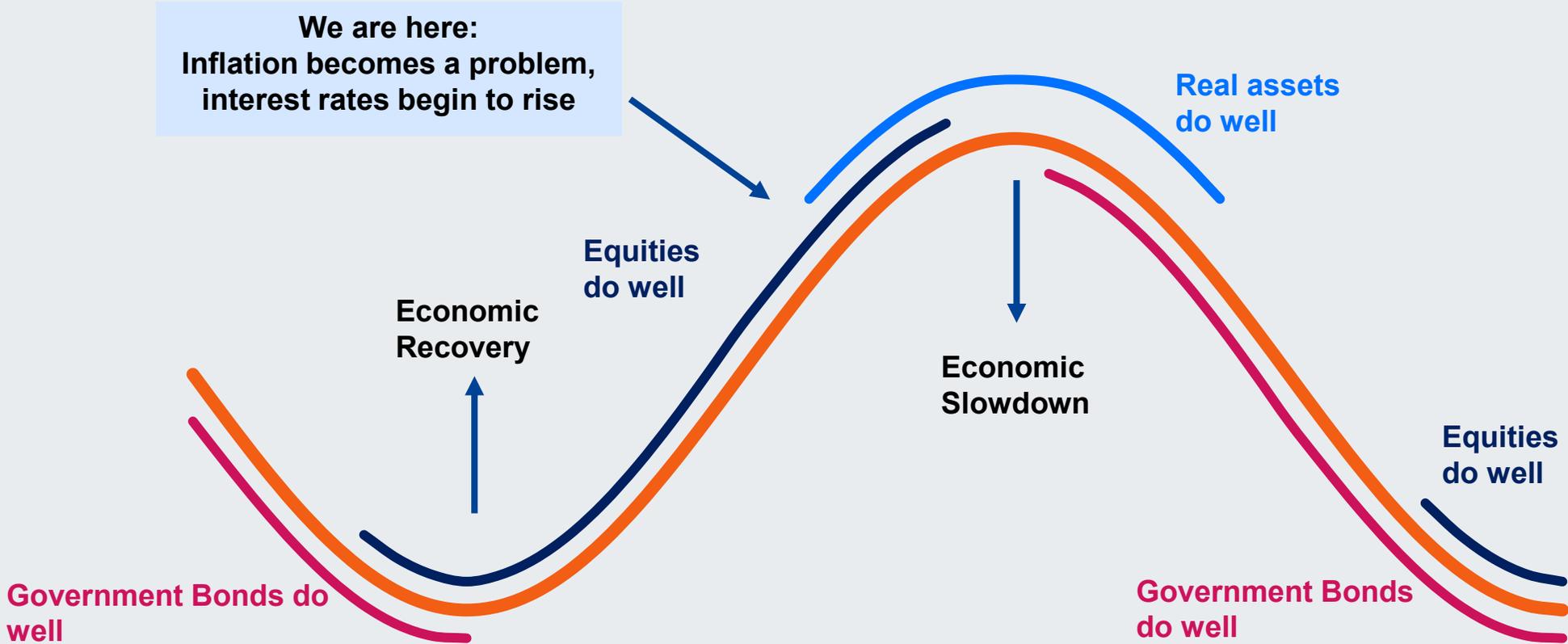
Equities

A new normal?



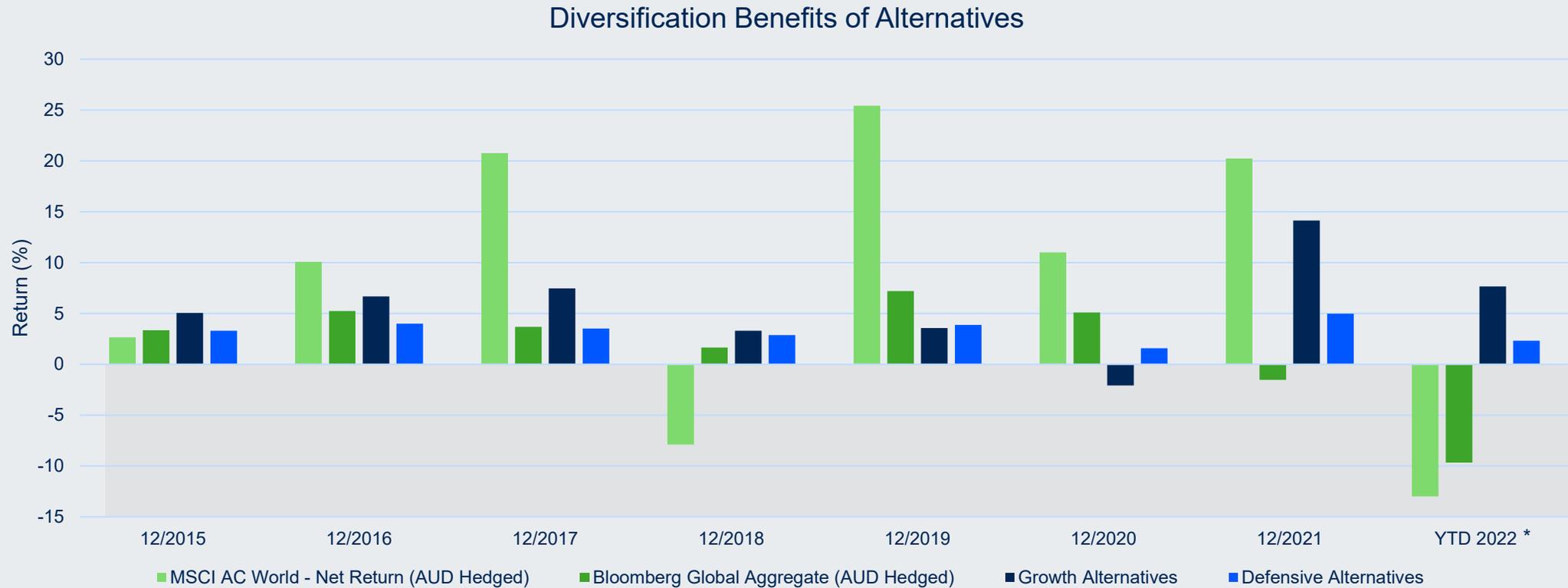
- | Equity sell-off has been driven by a re-evaluation of the monetary policy outlook due to inflation concerns.
- | Expect ongoing volatility as inflation dominates equity markets.
- | Growth stocks have been impacted by rising interest rates.
- | Equity performance will hinge on macro-economic data in the short-term.

Market Cycle



Alternative Beta

Elevated volatility in listed markets reinforces the portfolio benefits of alternatives



We believe alternatives provide return profiles that bare a low correlation to listed markets.
The persistence in positive returns from our Opportunities funds despite challenged equity and bond markets further supports this case.

Source: FactSet, Returns are hedged to AUD.

*YTD returns are to the end of August for the Opportunities Funds & MSCI AC World and the end of October for Bloomberg Global Aggregate.

Market outlook

More volatility on the horizon

We Expect



Central banks to continue increasing rates until there is clear evidence of decreasing inflation



Inflation to continue to drive market movements over the short to medium term



Volatility to remain as the market adjusts to an inflationary environment



The Australian economy to be reasonably protected through favourable macro-economic conditions

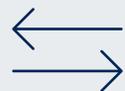
Portfolio Considerations



Case for an overweight to value style managers within equity portfolios.



Long duration fixed income assets are becoming more attractive as prospective yields increase.



Alternative investments are a good diversifier when traditional asset classes face headwinds.

Performance

Select Superannuation Plan – Multi-Asset Class Options, Net Returns, 30 June 2022

Investment options	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Conservative	-4.90%	1.33%	2.39%	2.55%	3.78%
Diversified	-4.85%	2.00%	3.14%	3.16%	4.80%
Balanced	-5.23%	2.79%	4.10%	4.13%	6.21%
Growth	-5.21%	3.53%	4.94%	4.97%	7.17%
High Growth	-4.95%	4.14%	5.63%	5.50%	8.06%

Select Superannuation Plan – Single-Asset Class Options, Net Returns, 30 June 2022

Investment options	1 yr %	3 yr % pa	5 yr % pa	7 yr % pa	10 yr % pa
Cash	-0.04%	-0.05%	0.05%	0.08%	0.29%
Australian Equities	-4.87%	3.56%	4.88%	5.20%	7.57%
International Equities	-12.07%	5.30%	7.88%	7.39%	10.54%
Limited Share	0.61%	5.52%	6.17%	5.94%	8.80%

Investment performance has been calculated net of fees, costs and tax. Past performance is not indicative of future performance. The performance shown is for the Select Super options. The performance of the Select Pension options will differ from this for reasons such as tax.

Annie Rozenauers

Global Head of Product

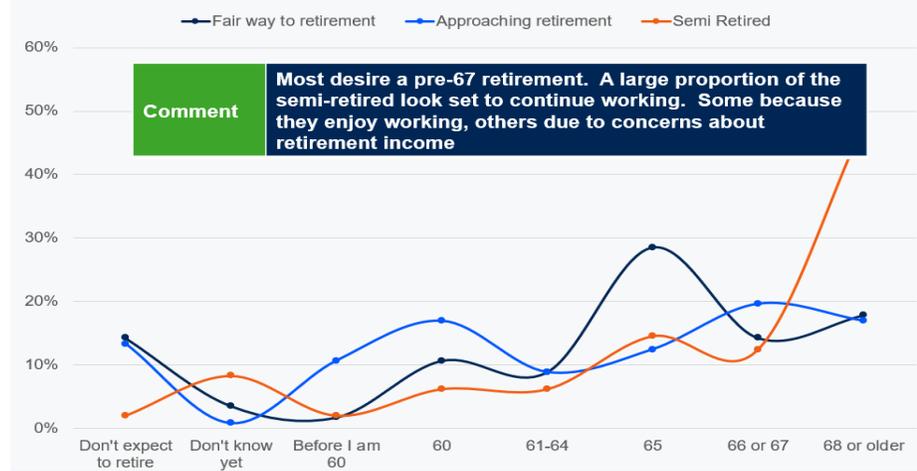
Member Services Update

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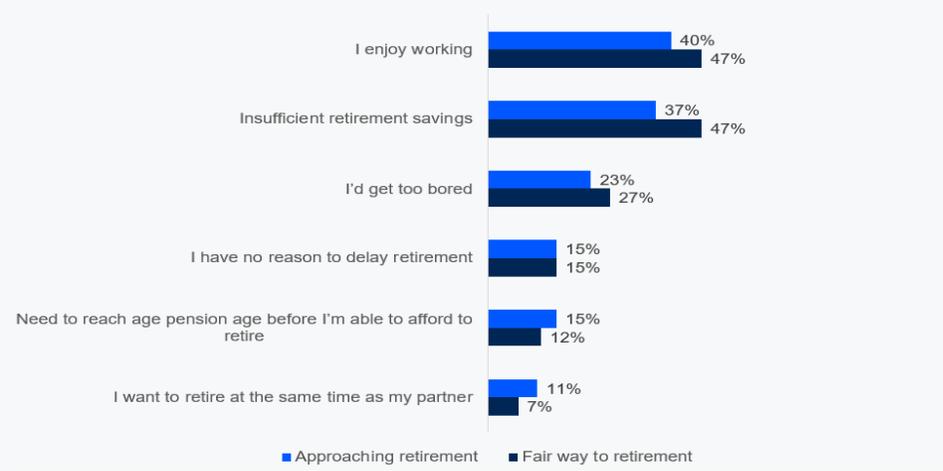
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Retirement Survey

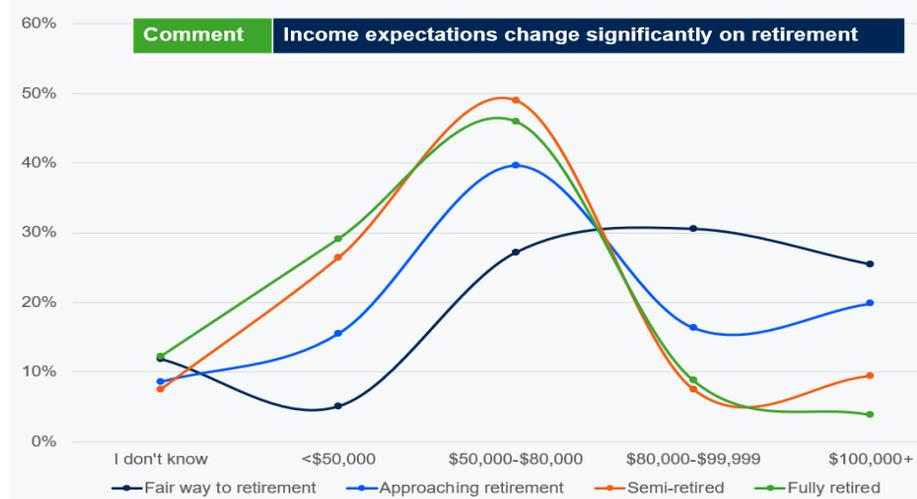
At what age do you expect to be able to retire or fully retire (if currently semi-retired)?



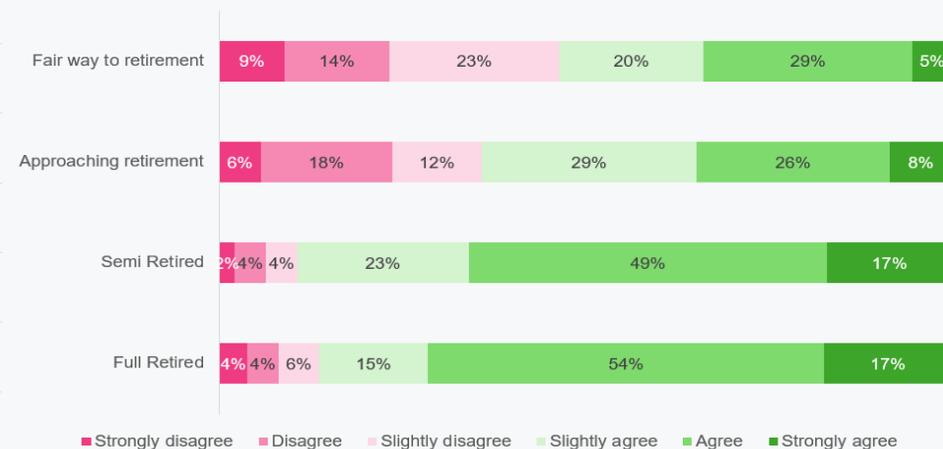
Which of these reasons, if any, do you have for delaying retirement



What level of annual income do you think you need for a comfortable retirement?



"I have sufficient savings, in combination with any age pension entitlements, to fund a comfortable retirement"



Source: Perpetual Retirement Income Survey, September 2022

Member Services



39,878 phone calls over the year, 48% answered in 30 seconds



23,659 emails over the year, 90% answered in 48 hours



Customer service scores of 8.78/10 for phone interactions



Customer service scores of 7.91/10 for email interactions

Service Performance Rated by You (out of 10)

	2022	2021	2020
Professionalism of our people	7.8	8.4	7.9
Responding quickly to your questions and requests	7.8	8.1	7.6
Being available when you call	7.8	8.0	7.5

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New features to check out

- Account-based pension payments – manage frequency and payment amounts (coming soon)
- Superannuation contribution component – lookup current and prior year concessional and non-concessional contributions made to the Fund

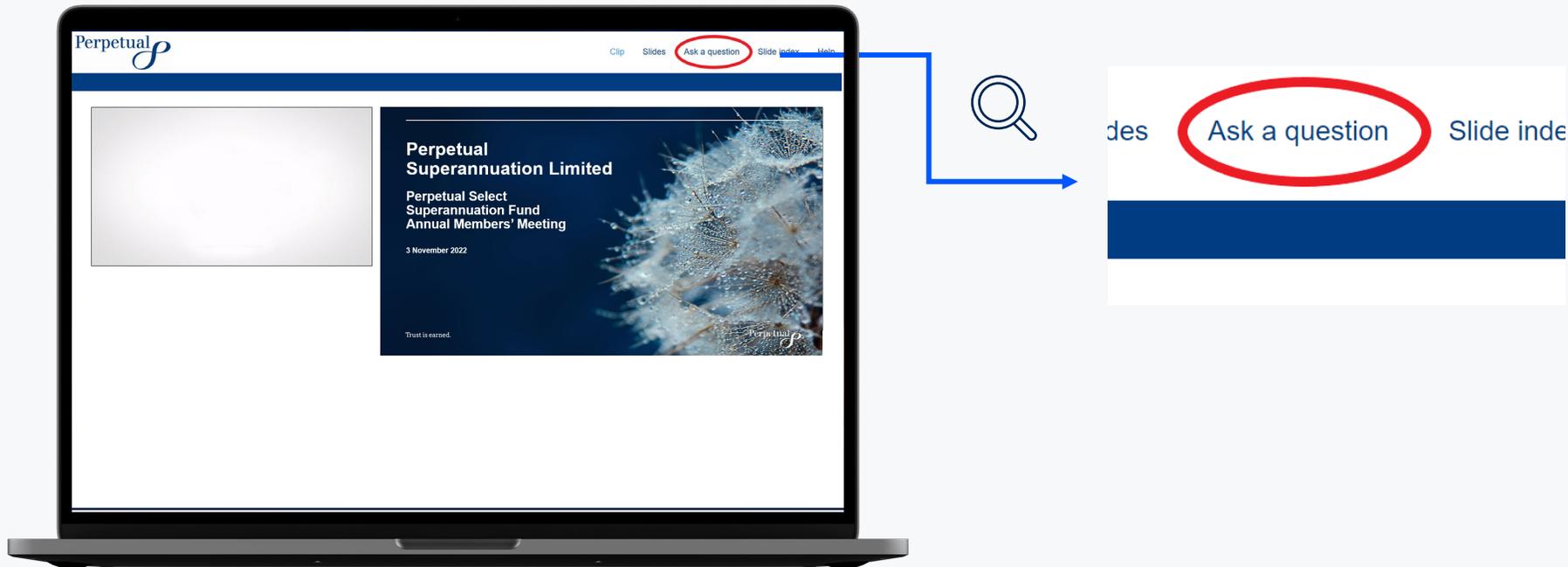
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Thank you.

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