



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues <input checked="" type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in internal staff	
Collaborative engagements		<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in collaborative engagements	
Service provider engagements		<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for a transition <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in service provider	

RI TRANSPARENCY REPORT

2013/14

Perpetual Investments

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Perpetual Investments

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

239

OO 03

Mandatory

Descriptive

General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

We outsource our international listed equities management to Wellington who are also a PRI signatory.

OO 04 **Mandatory** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

30/06/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		24	227	765	294
Currency	AUD				
Assets in USD		21	884	912	697

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 **Mandatory** **Descriptive** **General**

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	78	3
Fixed income – corporate	10	0
Fixed income – government	0	0
Fixed income – other	0	0

Private debt	2	0
Private equity	0	0
Property	1	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	5	0
Other (1), specify	1	0
Other (2), specify	0	0

'Other (1)' specified

opportunity funds invested in unlisted/listed assets and external funds

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Perpetual Investments is part of Perpetual Limited, an independent and diversified financial services group providing specialised investment management, wealth advice and corporate fiduciary services to individuals, families, financial advisers and institutions. Perpetual Limited is one of Australia's oldest financial institutions with a proud history of helping Australians protect and manage their wealth through both prosperity and adversity. Our origin as a trustee company, together with our outstanding performance track record in investment management, has built our reputation as one of the most respected brands in financial services in Australia. Our passion is to protect and grow our clients' wealth with our vision to be Australia's largest independent wealth manager of choice.

Perpetual Investments is one of Australia's most highly regarded investment fund managers, offering a broad range of products for personal investment, superannuation and retirement to individuals, advisers and institutions. We have strong investment capabilities across a range of asset classes including equities, fixed income, global and diversified strategies.

Perpetual Investments has a long-standing commitment to responsible investment, and in 2009 Perpetual Investments became a signatory to the United Nations Principles for Responsible Investment (PRI).

Gateway asset class implementation indicators

OO 10

Mandatory

Gateway

General

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 10.2

Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

OO 10.3

Additional information. [Optional]

Regarding Q10.1 we outsource the management of the international listed equities component of our diversified funds (the vast majority of our externally-managed FUM) to one manager (Wellington). They are also a PRI signatory so please refer to their reporting regarding ESG integration.

OO 11	Mandatory	Gateway	General
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OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Private debt
- Property
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

opportunity funds invested in unlisted/listed assets and external funds

OO 12	Mandatory	Gateway	General
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OO 12.1 The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

Perpetual Investments

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3

Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

SCOPE

Perpetual Investments Responsible Investment (RI) policy applies to our employees responsible for making active investment decisions, including investment analysts and portfolio managers, across strategies that cover:

- Australian equities
- Global equities
- Listed and unlisted property securities
- Credit and fixed income (including mortgages)
- Cash; and
- Diversified strategies.

POLICY - INVESTMENT DECISION MAKING

It is our policy that, to the extent that information is available, investment managers should incorporate ESG issues into investment analysis and decision making. When deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks that are relevant to the current or future value of the investment. This is consistent with our obligations as a PRI signatory. However we note that the ways and means of practically applying the PRI principles are still developing, and implementing this policy across all asset classes will take time.

POLICY - OWNERSHIP PRACTICES

It is our policy that investment managers have a duty to use their influence as a shareholder/asset manager in order to achieve better investment outcomes over the long term. From an ESG perspective this means encouraging the Boards and management of investee companies to identify and manage relevant ESG risks and opportunities effectively, be transparent, honest and accountable and implement corporate structures and management incentives which ensure the company is managed in the long-term interests of shareholders (which includes sustainable business practices).

ROLES AND RESPONSIBILITIES

- The Group Executive, Perpetual Investments who reports directly to the CEO, Perpetual Limited is accountable for all aspects of Perpetual's RI policy.
- The Manager, Responsible Investment who reports directly to the Group Executive, Perpetual Investments is responsible for the development and maintenance of Perpetual's RI framework and policies.
- This policy has been endorsed by all Perpetual's key asset managers.

OA 02**Mandatory****Core Assessed****PRI 6**

OA 02.1 | Indicate if your responsible investment policy is publicly available.

Yes

OA 02.2 | Provide a URL to your responsible investment policy.

URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

No

OA 02.3 | Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 | List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Corporate Governance and Proxy Voting	http://www.perpetual.com.au/pdf/Proxy-voting-policy-flyer-wl.pdf

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1 | Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2 Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

Our RI Policy includes specific guidelines on environmental and social issues for listed resource companies only (as these companies are generally most exposed to these risks). These issues are considered for other companies on a case-by-case basis relative to the nature and degree of specific risk(s) involved.

Implementation of our RI policy across all asset classes will take time, as this area is still evolving across many asset classes, e.g. fixed income. However approximately 80 percent of our funds under management is managed in listed equities where implementation is completed.

OA 04	Mandatory	Core Assessed	General
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OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

Two such policies apply to Perpetual Investments (as part of Perpetual Limited):

- Group Policy - Conflicts of Interest (Personal); and
- Group Policy - Conflicts of Interest (Corporate).

Group Policy - Conflicts of Interest (Personal)

A personal conflict of interest arises when an employee of Perpetual has individual interests which conflict or compete with their duty and obligations to act in the best interests of Perpetual's stakeholders. All Perpetual employees are expected to act in the best interests of Perpetual and its stakeholders. As such, employees should at all times be conscious of circumstances that create or could potentially create a personal conflict of interest, such as office holdings (e.g. directorships), related parties, material personal interests and receiving gifts.

The policy covers:

- Identifying and Reporting Conflicts of Interest
- Managing Conflicts of Interest
- Directors and Responsible Managers specific responsibilities
- Roles and Responsibilities

Group Policy - Conflicts of Interest (Corporate)

A corporate conflict of interest arises when Perpetual has competing interests or duties which impair or interfere with its ability to exercise independent judgement in decision-making processes.

The policy covers:

- Categories of Corporate Conflicts of Interest
- Identifying and Reporting Conflicts of Interest
- Managing Conflicts of Interest
- The Conflicts of Interest Committee
- Roles and Responsibilities
- Consequences of Non-Compliance with Policy
- Corporate Conflicts of Interest Register

We also have numerous other internal policies covering a number of issues, including:

- Best execution
- Fund manager conduct during corporate actions
- Personal trading
- Trade allocation

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

OA 05.4 Additional information. [Optional]

The Manager, Responsible Investment, in consultation with the Group Executive, Perpetual Investments, sets and measures our progress in achieving our Responsible Investment objectives.

Governance and human resources

OA 07	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

OA 07.1 Provide a brief description of your organisation’s governance, management structures and processes related to responsible investment.

- The Group Executive, Perpetual Investments, who reports directly to the Perpetual Group CEO is accountable for all aspects of Perpetual's responsible investment (RI) policy.
- The Manager, Responsible Investment, who reports directly to the Group Executive, Perpetual Investments is responsible for the development and maintenance of Perpetual's RI framework and policies. Perpetual's RI framework includes the support, monitoring and reporting elements necessary to ensure transparent and thorough implementation of this policy.
- The Manager, Responsible Investment assists Perpetual Investments' investment teams (e.g. analysts and portfolio managers) fulfil their ESG obligations.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

1

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Participation in ESG initiatives such as the Board Confidence Index
- Consultation re ad-hoc ESG issues

CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

FSC (Financial Services Council) ESG Working Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Provided Chairman and additional member to ESG working group.

- Other collaborative organisation/initiative, specify

Responsible Investment Association of Australia (RIAA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- RIAA certification on PI's ESG specialist investment products (e.g Ethical SRI strategy)

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

- Organised and hosted lunch series on responsible investment opportunities including affordable housing - 'Illuminated' lunch series
- Sponsored RIAA (Responsible Investment Association of Australia) benchmark report study
- Company engagement activities
- Group Executive, PI - ESG conference speeches
- Manager, Responsible Investment internal and external ESG communications
- Other client presentations and communications on corporate engagement, responsible investment, etc.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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1. ESG Engagement - Taking Action

Perpetual Investments has demonstrated innovation in our approach to engaging with listed companies on ESG issues, by not just talking to management and Boards but actually initiating change through our own initiatives.

One example is our efforts to unlock value and improve governance for all shareholders in the listed Brickworks / WH Soul Pattinson companies. Perpetual has independently formulated and proposed (solely and in collaboration with other shareholders) governance and other changes (including calling our own shareholder meetings) to bring these issues to a head. This is similar to recent cases in the US where concerned ESG-aware shareholders have proposed shareholder resolutions at AGMs. Our actions include:

- twice proposing the appointment of additional independent directors, to encourage both Board renewal and closer company adherence to accepted governance standards (including we believe proposing the first female director to either Board); and
- proposing transactions to unwind the current cross-shareholding structure, which we believe is poor governance for a number of reasons and is restricting the underlying value in both companies being released to shareholders.

2. ESG Dashboards

An internally-designed and generated ESG Dashboard lists material ESG risks (or 'red-flags') for each investee company, drawing on both internal and external research sources. The Dashboards plus the raw ESG data is fully integrated into our front office investment management system (FactSet), and all Dashboards are immediately broadcast/available to the entire equities team, including via mobile devices. This promotes the consideration of ESG risks (i.e. PRI Principle 1) as a truly mainstream activity for all equities analysts and portfolio managers.

Perpetual Investments

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- Passive
- Active – quantitative (quant)
- Active – fundamental and other active strategies

% of internally managed listed equities

- <10%
- 10-50%
- >50%

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03

Mandatory

Gateway/Core Assessed

PRI 1

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	 97
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Percentage of active listed equity to which no incorporation strategy is applied (estimate +/- 10%)	 3
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Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

- All of the Australian equities managed by Perpetual's Investments Australian equities team (the above 97% of AUM) is covered by the ESG incorporation process (Quality Filters exclusion screen and ESG Dashboard integration process) as described in LEI 02.1. This is consistent with our approach to responsible investment and ESG issues as described in previous modules.
- Note that 6% of this AUM is managed in 2 specialist ESG equities mandates - our Sustainable Shares and Ethical SRI strategies, where additional ESG exclusion screens apply.
- The remaining 3% of our AUM is managed outside the Australian equities team in small or internal funds with different strategies, e.g. smart Beta where a different universe of stocks may be held and no ESG incorporation applies.

LEI 03.3

If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

Sustainable Shares and Ethical SRI strategies

The ESG incorporation process (ESG Dashboard process) as described in LEI 02.1 applies to these strategies, i.e. all companies must pass our Quality Filters and portfolio managers need to consider ESG risks in their decision-making. However in these two strategies, the portfolio managers have a reduced opportunity set of companies they may consider for investment, as we exclude a significant number of companies which fail specific ESG screens for each strategy. This is an independent process from the ESG Dashboard process, run by the Manager, Responsible Investment, where companies that rate poorly on sustainability and ethical SRI issues respectively are identified and excluded, using external ESG research only. These strategies suit a range of investors who require a 'higher standard' of ESG filtering, e.g. they may not be permitted or have decided not to invest in tobacco, munitions or nuclear companies or those who rank poorly on sustainability or social responsibility measures.

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

We negatively screen by:

- Our Quality Filters (which apply to all the funds/products managed by our Australian equities team) include ESG issues. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment.
- In addition, two of these strategies (Sustainable and Ethical SRI) have additional screens to exclude a further set of companies that rate poorly on sustainability and ethical SRI issues respectively for these two strategies only.

Positive/best-in-class screening

Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Quality Filters

Our Quality Filters (which apply to all the funds/products managed by our Australian equities team) include ESG issues. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment. These filters have been a core element of Perpetual's investment process for many years.

Sustainable Shares and Ethical SRI strategies

The Manager, Responsible Investment has formulated filtering processes for these strategies to identify and exclude companies that rate poorly on sustainability and ethical SRI issues respectively, using external ESG research. The portfolio managers of these strategies are subsequently prohibited from buying these companies, and must divest any such companies already held.

The Manager, Responsible Investment is responsible for ensuring these filters are up-to-date (by design) and are regularly re-run to capture new companies and new company or external research information.

Any criteria changes are processed through a defined internal approval process and communicated to clients as needed.

LEI 07

Mandatory

Core Assessed

PRI 1

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 07.2

Additional information. [Optional]

Please note, the above responses apply only to the screening processes that apply to our two specialist ESG screened strategies (Sustainable and Ethical SRI).

The Quality Filters (including ESG) screening that applies across all equities products managed by the team is conducted based only on internal research. The more intensive ESG research occurs through the ESG Dashboard (ESG integration) process described in LEI 02.1 and LEI 10.1, which applies to all stocks passing the Quality Filters.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
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Motivation

Perpetual Investments Responsible Investment (RI) policy applies to our listed equity* investments. It is our policy that, to the extent that information is available, investment managers should incorporate ESG issues into investment analysis and decision making. This is consistent with our obligations as a PRI signatory, and our duty to our clients to seek the best risk-adjusted investment returns over specified time periods.

For us, the consideration of ESG factors does not include making ethical or moral judgments on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks that are relevant to the current or future value of the investment.

Integration Strategies

Integrating ESG issues into our process means both investment research (analysts) and portfolio construction (portfolio managers). Both analysts and portfolio managers are required to take ESG risks into account in their investment decision-making.

Investment Research

ESG issues have always been considered in our assessment of the quality of a company through our extensive fundamental research. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment (i.e. this step is an exclusion screen)

To enhance our ESG research on companies that pass our Quality Filters, we engage a number of external specialist research groups to provide additional ESG related company research. This information, along with our analyst's research and views is filtered and collated in an internally-generated ESG Dashboard (our primary ESG Integration tool) that lists material ESG risks (or 'red-flags') for each company. This tool allows the analyst to directly meet their obligation of considering ESG risks in their stock ranking decision (buy or sell), drawing on both internal and external research sources. The ESG Dashboard process has been developed and is maintained by the Manager, Responsible Investment in recent years after we became a PRI signatory in 2009.

The ESG Dashboard also serves as an ESG engagement tool, in that the material ESG risks highlighted provide a suggested list of ESG engagement issues which analysts and portfolio managers can raise with company Boards and executives.

Portfolio Construction

The ESG Dashboard has been integrated into Perpetual's Internal Research Note (IRN) system - this system automatically broadcasts any new material internal company research (e.g. analyst's earnings forecast or ranking changes, meeting/engagement notes, ESG Dashboards, etc.) to the entire equities team. All IRNs are also loaded and available to the team on FactSet (our equity research software). Including the ESG Dashboard in this process brings the incorporation of ESG issues into the mainstream day-to-day activities of analysts and portfolio managers.

In terms of portfolio construction, portfolio managers consider analyst information (i.e. rankings, other IRN information including ESG Dashboards) and other information in

formulating their buy/sell/hold/not buy decision. The IRN process of broadcasting all ESG Dashboards to the entire team (i.e. including all portfolio managers) provides material ESG information directly to inform this decision. The IRN-integrated ESG Dashboard has significantly improved the ability of analysts and portfolio managers to consider ESG factors in their daily investment activities.

We have also commenced loading raw ESG Dashboard data (e.g. Board indicators, environmental red flags, etc.) onto FactSet, to allow broad portfolio ESG analysis, etc.

Responsibility

- The Group Executive - Perpetual Investments is accountable for all aspects of Perpetual's RI policy.
- The Manager, Responsible Investment is responsible for the development and maintenance of Perpetual's RI framework and policies.
- Analysts and portfolio managers are responsible for integrating ESG issues into their decision-making, assisted by the Manager, Responsible Investment.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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Our Quality Filters and ESG Dashboard processes address these ESG risks systematically.

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation	<input type="radio"/> Broad approach to ESG incorporation
<input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently	<input type="radio"/> Quarterly or more frequently
<input checked="" type="radio"/> Between quarterly and annually	<input checked="" type="radio"/> Between quarterly and annually
<input type="radio"/> Less frequently than annually	<input type="radio"/> Less frequently than annually
<input type="radio"/> Other, specify	<input type="radio"/> Other, specify

- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

Perpetual Investments

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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Yes

No

LEA 03.3	Additional information. [Optional]
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Currently we do not have a formal system for identifying, prioritising and capturing specific instances of engagement, on ESG or any other specific 'category' of engagement activity.

Our company meetings typically cover a broad range of issues, including both:

- Information gathering (i.e. to inform our investment decision) - note this includes better understanding their methods for assessing, managing and disclosing ESG risks; and
- Influence / engagement (i.e. to bring forward ideas or changes we believe will benefit the company and it's stakeholders such as shareholders) - including raising concerns on current approaches to managing ESG risk so as to encourage improved performance and disclosure.

We do not 'segregate' meetings by the above aims, nor by issue categorisation (ESG and non-ESG) as this would be impractical.

Analysts and portfolio managers are given flexibility and trust to implement our engagement and other company and related contact activities, including prioritising issues. We believe it would be counter-productive (time-consuming) to impose a rigid, prescriptive process with an emphasis on form (i.e. record-keeping) over substance (value-add). We can amply demonstrate our engagement efforts through actual examples (reported in later questions) - collection and reporting of same is conducted by The Manager, Responsible Investment.

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate if you define specific objectives for your engagement activities.
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Yes

Yes, for all engagement activities

Yes, for the majority of engagement activities

Yes, for a minority of engagement activities

No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.
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- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

Our analysts and portfolio managers are responsible for monitoring companies for their activities across ESG and non-ESG issues, including the outcome of our engagement activities. The Manager, Responsible Investment collects individual examples of ESG engagement for reporting purposes.

- No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
-----------------	---

- Yes
- No

LEA 05.3	Additional information.[Optional]
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The majority of our engagement activities are internal.

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1	Indicate if the collaborative engagements in which you are involved have defined objectives.
-----------------	--

- Yes
 - Yes, for all collaborative engagement activities
 - Yes, for the majority of collaborative engagement activities
 - Yes, for a minority of collaborative engagement activities
- No

LEA 06.2	Indicate if you monitor the actions companies take following your collaborative engagements.
-----------------	--

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 06.3	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
-----------------	---

Our analysts and portfolio managers are responsible for monitoring companies for their activities across ESG and non-ESG issues, including the outcome of our engagement activities. The Manager, Responsible Investment collects individual examples of ESG engagement for reporting purposes.

No

Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Core Assessed	PRI 2,4
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LEA 07.1	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
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Yes

LEA 07.2	Indicate what role you play in engagements that your service provider conducts on your behalf.
-----------------	--

- Specify the issues for the engagement
- Specify the objectives for the engagement
- Select the companies to be engaged with
- Participate directly in the engagements with your service provider
- Actively monitor and review the activities of the service provider
- Other, specify

No

LEA 07.3	Additional information. [Optional]
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Past service provider activities include those conducted by Regnan, CAER and Glass Lewis.

LEA 08	Mandatory	Core Assessed	PRI 2,6
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LEA 08.1 Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
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LEA 10.1 Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input checked="" type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input checked="" type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

We disclose it publicly

please provide URL

<http://www.perpetual.com.au/pdf/Proxy-Voting-Summary.pdf>

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 15.3 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

We provide specific examples of our engagements on ESG issues

LEA 15.4 Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

No

We disclose it to clients and/or beneficiaries only

We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.6	Additional information. [Optional]
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We also provide further engagement information to interested stakeholders (e.g. clients, researchers, consultants) as required.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients requests or policy
 - other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
 - We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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On all proxy voting decisions, our Head of Equities makes the final voting decision after consideration of:

- the voting and governance principles set out in Our Corporate Governance and Proxy Voting Policy (<http://www.perpetual.com.au/pdf/Proxy-voting-policy-flyer-wl.pdf>) - an internal ESG resource (The Manager, Responsible Investment) assists in this process;
- the internal views of relevant company analysts and portfolio managers; and
- the proxy report, including recommendations, from our external proxy adviser - this includes consideration of current governance norms and standards (e.g. on executive remuneration, director independence, etc.).

Paramount in this process is the principle that voting decisions are be made in the clients' best interests.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - other, explain
On a case-by-case basis
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

95 %

95

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2 If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

We vote on everything unless there are significant practical impediments - almost exclusively share blocking and POA. Our investments in markets where these apply represents a tiny proportion of our assets under management in listed internally managed equities.

For companies in our home market (Australia) where the vast majority of our assets under management reside our Votes cast % was 99.9%. The one ballot we did not vote was due to the fact we had sold out of the company.

We do not track or collect this information

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<http://www.perpetual.com.au/pdf/PI-voting-record-2012-13.pdf>

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Reporting to the public	Reporting to clients/beneficiaries
<p>Indicate how much of your voting record you disclose</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> All voting decisions <input type="radio"/> Some voting decisions <input type="radio"/> Only abstentions and opposing vote decisions <input type="radio"/> Summary of votes only 	<p>Indicate how much of your voting record you disclose</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> All voting decisions <input type="radio"/> Some voting decisions <input type="radio"/> Only abstentions and opposing vote decisions <input type="radio"/> Summary of votes only
<p>Indicate what level of explanation you provide</p> <ul style="list-style-type: none"> <input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided 	<p>Indicate what level of explanation you provide</p> <ul style="list-style-type: none"> <input type="radio"/> Explain all voting decisions <input checked="" type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input type="radio"/> No explanations provided

LEA 26.4 Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
<ul style="list-style-type: none"> <input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify 	<ul style="list-style-type: none"> <input type="radio"/> Continuously (primarily before meetings) <input checked="" type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.6 Additional information. [Optional]

Perpetual considered and voted on thousands of separate resolutions over the year, so composing and publishing an explanation on every single voting decisions is unrealistic.