

# Annual Member Meeting Minutes

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| <b>Meeting of:</b>                                      | <b>PERPETUAL WEALTHFOCUS SUPERANNUATION FUND</b>   |
| <b>On:</b>  | Thursday, 07 March 2024 at 1:00pm  |
| <b>At:</b>  | Level 18, 123 Pitt Street, Sydney NSW 2000<br>And via live stream  |
| <b>Directors in attendance:</b>                         | Janet Torney (Chair)<br>Chris Green<br>Mark Smith<br>Kerry Adby<br>Jocelyn Furlan  |
| <b>Apologies:</b>                                       | Nil  |
| <b>Responsible Officers and Speakers in Attendance:</b> | Catherine Payne, Head of Office of the Superannuation Trustee (HOST)<br>Sam Mosse, Chief Risk and Sustainability Officer<br>Claudia Rososinski, Assistant Company Secretary<br>Annie Rozenauers, Global Head of Product Governance<br>Kyle Lidbury, Head of Investment Research at Perpetual Private<br>Craig Squires, Chief Operating Officer<br>Nicholas Buchanan, Audit Partner, KPMG |

| Item  | Presenter           |
|---|---------------------|
| <b>Item 1. Welcome and Introduction</b>   |                     |
| The Chair, Janet Torney, welcomed and thanked all those who joined online for the Annual Member Meeting of the Perpetual WealthFocus Superannuation Fund <b>(Fund)</b> .  | Janet Torney, Chair |
| The Chair delivered an Acknowledgement of Country.  |                     |
| The Chair explained that the Annual Member Meeting was an opportunity for members to hear from the Board and Responsible Officers on their Fund. Updates would be provided on investment performance and member services and members have the opportunity to submit their questions through the event streaming page. |                     |

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Questions submitted prior to the meeting would also be answered by the Board and its Responsible Officers.

The Chair introduced the members of the Board, other Responsible Officers and the Fund's external auditor from KPMG.

## Item 2. Chair's Address

The Chair thanked members for their continued trust in Perpetual Superannuation Limited (**PSL**) to manage their retirement savings. PSL's strategy remains the anchor and focus in delivering the best outcomes for Members. To recap:

Janet Torney,  
Chair

- Our *purpose* is enduring prosperity for the lifetime of our members,
- Our *vision* is to be the trusted provider of market-leading superannuation solutions in our chosen segments,
- Our *values* are excellence, integrity and partnership; and
- Our *strategic objectives* are Enable, Engage, Protect and Sustain.

The Chair highlighted the following points:

- As at 31 December 2023, the Fund had ~9500 members with \$1.6b in Funds Under Management with 42 investment options supported by 15 investment managers.
- Regrettably, access to myPerpetual was impacted in mid-2023 due to a security incident with a third-party service provider. myPerpetual functionality has now been fully reinstated and the Chair expressed her sincere apologies, on behalf of PSL, for any inconvenience caused.
- Environmental, Social and Governance (ESG) considerations continue to be integrated into our investment selection and monitoring process, and that of the managers we appoint. This is aligned with Perpetual Limited's longstanding commitment to responsible investment.
- The myRetirement portal was launched in July 2023 to assist members who are either in or approaching retirement with various solutions, tools and resources available to assist members to be better informed in their retirement planning. Members are encouraged to seek financial advice specific to their individual needs.
- PSL is supportive of the regulatory changes underway with APRA and will continue to navigate the heightened regulatory environment and focus on meeting all obligations to members.
- All WealthFocus multi-asset options included in APRA's performance test passed for the year ended 30 June 2023.

## Item 3. Market Update & Investment Performance

Kyle Lidbury, Head of Investment Research, provided a market update on the key influences impacting the Fund's investment options noting:

Kyle Lidbury,  
Head of  
Investment  
Research at  
Perpetual  
Private

- FY2023 was a difficult year due to negative market sentiment anticipating recession. The recession did not occur as expected resulting in defensive portfolios underperforming and equity portfolios achieving above expectations.
- The Artificial Intelligence market boom was driven by the launch of ChatGPT and drove a rally across seven mega-cap stocks which have been coined 'The Magnificent Seven'.
- Inflation trended downwards in CY2023 indicating that the current cycle of central bank interest rate increases may be slowing. Inflation was sticky

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due to robust labour markets.

- Geopolitical challenges impacted investment markets as the conflict in the Ukraine continued into its second year and the latest conflict in the Middle East started. The impact was only short term, however, while the information was being absorbed.

Kyle Lidbury concluded the market update by commenting that opportunities will continue to present across investment markets and fundamental analysis will continue to drive investment decisions across the array of asset classes.

Gordon Thompson provided an overview of the Fund's investment performance for CY2023 and across longer-term time frames, noting the following relevant Fund performance metrics for the twelve months ended 31 December 2023:

- Median return of global equity options was 12.5%.
- Median return of Australian equity options was 7.9%.
- Fixed interest asset classes have demonstrated better returns across the 1-year timeframe than 3, 5 and 10 years due to high interest rates.
- Perpetual Conservative Growth option returned 4.02% for the year.
- Perpetual Diversified Growth option returned 4.06% for the year.
- Perpetual Balanced Growth option returned 4.79% for the year.

Gordon  
Thompson,  
Senior Manager  
for  
Superannuation  
and Retirement

Gordon Thompson noted that all investments are monitored by the investment team on a daily basis and are overseen by the PSL Investment Committee.

In December 2023, the decision was made to streamline the WealthFocus investment menu from 42 to 30 options based on investor demand and performance. Streamlining the investment menu will assist to provide efficiency, clarity and overall Fund sustainability.

#### **Item 4. Member Service Update**

Annie Rozenauers, Global Head of Product Governance, reiterated the Chair's apologies for the inconvenience caused by the IT security incident in mid-2023 and provided further details on the incident and restoration process. The restoration process was complex as systems had to be rebuilt and tested to ensure member information was secure in the new environment. This delay caused the myPerpetual portal to be shut down as the environments were sequentially stood up. myPerpetual was reinstated with read only access in September 2023 and full transactional capability was restored in February 2024. Annie Rozenauers confirmed that this was an isolated incident. PSL has reviewed its Information Security Management Program which aligns to global standards and frameworks and is independently audited.

Annie  
Rozenauers,  
Global Head of  
Product  
Governance

Annie Rozenauers provided an overview of the member service standards for FY23 highlighting the following:

- The call centre received just over 41,000 calls throughout the year - an average of 110 calls per day and more than 30,000 emails. 65% of calls were answered within 30 seconds and 91% of emails were answered in 48 hours. The customer service score for phone interactions was 8.7 out of a possible 10, and 7.9 out of a possible 10 for email interactions.
- It was acknowledged that Call centre services and responsiveness were impacted by the registry outage which caused an increase in the volume of enquiries until November 2023 when service levels normalised.

- Delivering quick and consistent service to members continues to be a high priority.

Annie Rozenauers advised that a key focus of PSL is how we can support our members who are in retirement or approaching retirement. To further support our members, the MyRetirement page on the website has been updated with resources to help members with their retirement decision-making. This is based on direct feedback from our members via the retirement survey we conducted last year to understand what was most important to our members in relation to retirement.

**Item 5. Members' Questions and Answers**

The Chair introduced the Q&A panel session of the Annual Member Meeting. Members were able to submit questions as part of the Annual Member Meeting registration process and throughout the live event via the online chat facility.

The Chair noted that responses to all questions would be included with the meeting minutes and made available on the Perpetual website within the next 30 days.

| Question   | Answer   | Respondent           |
|--|--|----------------------|
| <p><u>Questioner: Brian</u></p> <p>1. What was the full story regarding the outage? 2. What data was stolen or compromised? and 3. What action has been taken to ensure it doesn't happen again?</p> | <ul style="list-style-type: none"> <li>• The outage was the result of an IT security incident that occurred on a system provided by our third-party service provider.</li> <li>• The impact of the incident was broad and affected all registry infrastructure including test and disaster recovery systems. This made the restoration process extremely complex. Most of the technology environment had to be rebuilt and tested. This had to be done in a sequenced way and which meant underlying services had to be recovered first before the online myPerpetual services could be restored.</li> </ul>   | <p>Craig Squires</p> |
| <p><u>Questioner: Ling</u></p> <p>How are you ensuring that Perpetual won't get hacked again and that our funds and data are safe</p>  | <ul style="list-style-type: none"> <li>• Our online portal, myPerpetual was down for an extended period of time and we sincerely apologise for any inconvenience this caused our members.</li> <li>• Read-only access was reinstated for our members and advisers throughout September last year and transactional capability has now also been restored.</li> <li>• As a result of the incident some member data was compromised and we contacted all members out of an abundance of caution as soon as practicable once this became apparent.</li> <li>• The data that was compromised, namely member names, physical addresses and in some instances</li> </ul> |                      |

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unlinked bank account details were contained in files that we believed had been exported from the underlying administration system and it was these files that had been exfiltrated.

- Importantly, there was no highly sensitive data such as passport details, date of birth or driver's license details included in the compromised data which is stored in a different system.
- In light of the incident we have reviewed our information security management program and are satisfied that it remains robust and clearly focused on protecting our members and their data

Questioner: Satindra

When will all functionality be available in MyPerpetual members portal? I understand the hack was at a third party but why is the Perpetual portal then unavailable for more than 9 months. You can write a whole new system in that time - is that what Perpetual did?

- Our online portal, myPerpetual was down for an extended period of time and we sincerely apologise for any inconvenience this caused our members.
- Read-only access was reinstated for our members and advisers throughout September last year and transactional capability has now also been restored.
- The impact of the incident was broad and affected all registry infrastructure including test and disaster recovery systems. This made the restoration process extremely complex. Most of the technology environment had to be rebuilt and tested. This had to be done in a sequenced way which meant underlying services had to be recovered first before the online myPerpetual services could be restored.

Craig Squires

Questioner: Phil

It has been seven months since your serious website failure. When will you re-establish the online investment switch capability?

- The online investment switch capability was re-established in early February 2024 and the online system is now fully functional. We sincerely apologise for any inconvenience this caused.
- The impact of the incident was broad and affected all registry infrastructure including test and disaster recovery systems. This made the restoration process extremely complex. Most of the technology environment had to be rebuilt and tested. This had to be done in a sequenced way which meant underlying services

Craig Squires

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had to be recovered first before the online myPerpetual services could be restored.

Questioner: Ling

How are you ensuring that Perpetual won't get hacked again and that our funds and data are safe?

- The incident was isolated with a single, external third-party service provider.
- We have reviewed our information security management program in light of this event and are satisfied that it remains robust and clearly focused on protecting our members and their data.
- Perpetual has an Information Security Management Program aligned to recognised global standards and frameworks.
- The program has senior management and board oversight and is subject to stringent internal and external audit assurance.
- We also have a dedicated information security team that provides security specific operations, incident response, solution design and security risk assessments.

Questioner: Jamie

Why was the balance of my account the same after the "cyber attack"?

- While we aren't able to respond with specific details on your account we note the following:
- All members' investments remained safe and secure at all times. The investment options continued to be priced as per usual and the value of members' accounts would have fluctuated over the period as the value of their investments changed.

Annie Rozenauers

Questioner: Maureen

With the current talks of a demerger within Perpetual, will this have an effect on our Superannuation Fund?

- Perpetual Limited, our parent company, is conducting a strategic review to explore the benefits of potentially separating Wealth Management and Corporate Trust from the Perpetual Group.
- We don't know the outcome of this review yet, so cannot speculate on what it might mean from a Perpetual Superannuation perspective.
- We remain focused on business as usual, with members' best financial interests at the core of everything we do.
- Once the outcome of the review is known it will be considered by

Janet Torney

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the Trustee in light of our continuing obligations to promote members' best financial interests and comply with superannuation law.

Questioner: Wei-Lun

1. Has anything happened to my super? 2. Has anything happened to your business?

- We hope that the presentations today have provided you with an overview of what has been happening in your Fund during the year ended 30 June 2023.
- We also refer you to the Fund's annual report which provides an overview of the year in review. This is available on our website together with the Member Outcomes Assessment which provides a comprehensive overview of the Fund's performance.
- As mentioned in my response to the previous question, Perpetual Limited, our parent company, is conducting a strategic review to explore the benefits of potentially separating Wealth Management and Corporate Trust from the Perpetual Group.
- We don't know the outcome of this review yet, so cannot speculate on what it might mean from a Perpetual Superannuation perspective.
- We remain focused on business as usual, with members' best financial interests at the core of everything we do.

Janet Torney

Questioner: Angela

Why have costs to switch risen so much in the last 12 months?

- There is no fee for switching between investment options. However, there is a buy/sell spread.
- When you switch, there is usually a difference between the entry and exit prices of the investment option. This spread covers transaction costs, such as brokerage fees. This spread does not go to us, it remains within the investment options to cover the actual transaction costs as they are incurred.
- Comparing the buy/sell spread currently in effect for the options offered on WealthFocus (see flyer dated 18 December 2023) with the buy/sell spreads in effect 12 months ago there are no cases where the buy/sell spread

Annie Rozenauers

had increased.

Questioner: Irena

1. How do your fees compare with other super funds? 2. Why are your fees so high?

- The Member Outcome Assessment available on our website provides a comparison of how our fees compare with other super funds.
- This shows that:
  - Our administration fee of 0.25%pa (or 0.10%pa for cash) is below the median administration fee charged by other super funds.
  - Our investment management fees are a pass-through of the investment fee charged by the investment managers of the options. The fee comparison shows that members are offered a choice from low fee passively managed options to some investment managers charging higher fees due to their differentiated investment process or strong track record.

Annie Rozenauers

Questioner: Angela

Why is the Perpetual website so user unfriendly? For example, why is there no 'Print' button to enable members to print a copy of their current account holdings. When will members be able to switch investments online again? Will the meeting be recorded and available to watch later?

- Thank you for your feedback on our website. We will be working on improvements over the next 12 to 18 months, that will hopefully make it more user friendly.
- In relation to your specific example, while we don't have a print button, you can still print your account holdings by using your browser's built-in print functionality. I'll ask our Contact Centre to provide instructions to you on how to do this.
- In relation to online switching, functionality was restored on 5 February 2024
- I can confirm that the Annual Member Meetings are recorded and will be available on our website, together with presentation slides and minutes of the meeting, within 30 days of the meeting.

Annie Rozenauers

Questioner: Aftab

- While I don't have the specific details about your individual

Janet Torney



What are the reasons of losing money in Perpetual Super? How will it be recovered in the next 6 months? Who is responsible in Perpetual?

investment options, I can confirm that over the 12 months ending 31 January 2024, 39 of the 42 investment options offered in Perpetual WealthFocus Super have delivered a positive return.

and Kerry Adby

- As your super trustee, we are committed to managing your investments prudently and responsibly. We have established a robust investment governance framework and strategy that prioritises your best financial interests. This includes setting clear investment objectives, actively managing risks, and employing independent oversight to ensure transparency and accountability. Through effective governance, we strive to deliver sustainable long-term investment outcomes and fulfil our fiduciary duty to you.

Questioner: Rudi  
Will WealthFocus soon be administering the First Sentier Australian Small Companies Long Short Opportunities Fund as a choice?

- Thank you for your suggestion. There are no current plans to add that particular investment option to the Fund.
- We regularly review our investment menu to ensure that it consists of an appropriate array and quality of investment options to meet the needs of our members and their advisers.

Annie Rozenauers

Questioner: David  
Do you have a preferred internet browser to access Perpetual? I find that Firefox with add-ons often doesn't work but Edge seems OK.

- All website testing is predominately conducted on Google Chrome and Edge so we would advise using these browsers for the best user experience.

Craig Squires

## Item 6. Meeting Closure

The Chair thanked members for their participation and declared the meeting closed at 1:52pm.

A question was received from Stuart after the close of the meeting: *What is Perpetual's view of the economic outlook given the instability in both the world economy and the relationships?*

The Directors requested that the HOST arrange for a response to be provided to the

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member directly and for the response to be included in the questions and answers online for the visibility of all members.

*These minutes have been reviewed by the Board and are expected to be formally approved at the next Board meeting on 02 May 2024.*

Signed by:

Chair:

Date approved:

Authorised by the Chair to affix their electronic signature