

Perpetual WealthFocus Pension Plan

Member Outcomes Assessment

Financial Year Ending 30 June 2024

Dear Members of the Perpetual WealthFocus Pension Plan (the Plan)

We are pleased to present the Member Outcomes Assessment for the year ended 30 June 2024. This report provides a comprehensive overview of the Plan's performance, including reviews of investment returns and risks, fees and costs, and other assessment factors.

Our aim is to provide you with clear and relevant information to help you understand how your investment in the Plan has performed over the past year, and how this performance aligns with your retirement goals.

At Perpetual Superannuation Limited (PSL), our purpose is the enduring prosperity for the lifetime of our members. With the Perpetual WealthFocus Pension Plan, this purpose is expressed in providing choice, flexibility, and control to members over their retirement savings, enabling you to make informed decisions about how your money is invested and manage your long-term financial future.

We value your membership and are committed to ensuring that the Plan continues to deliver strong outcomes for our members. We encourage you to take the time to read this report and to contact us if you have any questions or would like further information.

Thank you for your continued support.

Janet Torney – Chair, Perpetual Superannuation Limited

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Perpetual 

Investment Strategy, Returns and Risk

This assessment compares the investment performance of the Plan's investment options against peer medians, examining return and risk metrics over multiple time horizons (1, 3, 5, and 10 years) to 30 June 2024.

Returns

Some observations on investment returns for the year ended 30 June 2024:

- All investment options delivered positive returns – ranging from a low of 1.28% (Lazard Global Listed Infrastructure) to a high of 23.06% (Vanguard Australian Property Security Index)
- International shares were the highest performing asset class - however there was considerable variation in returns across investment options, ranging from 4.46% to 19.98%
- Better returns on Cash – higher interest rates have resulted in higher returns on Cash than prior years.

Risk Considerations

Risk levels, as measured by standard deviation, generally align with investment objectives:

- Higher-risk options like WFS Perpetual Geared Australian show higher volatility (23.83% over one year)
- Defensive options like Cash maintain very low volatility (0.08% over one year)
- Diversified options demonstrate moderate risk levels appropriate for their investment objectives

Long-term Performance Analysis

The 10-year performance figures demonstrate the benefits of long-term investment strategies:

- International Shares options have delivered strong long-term returns ranging from 6.90%p.a. to 12.48%p.a.
- Australian Shares options have delivered long-term returns ranging from 6.70%p.a. to 10.37%p.a.
- Diversified Fixed Interest options have provided lower but more stable returns ranging from 1.18%p.a. to 2.85%p.a.

Conclusion

The Plan's investment options have generally delivered returns commensurate with their risk levels and investment objectives. The diverse range of options continues to provide members with choices suitable for different risk appetites and investment timeframes. The strong performance in growth assets over the past year has contributed positively to members' long-term retirement savings objectives.

30 June 2024 - Investment returns and risk

Investment Return ¹	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile
Investment Risk ²	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile

Pension Plan Risk and Return June 2024 ³	Investment Returns (%)				Investment Risk ² (%)			
	1 yr	3 yr	5 yr	10 yr	1 yr	3 yr	5 yr	10 yr
Cash – median	4.68	2.61	1.83	2.03	0.09	0.55	0.52	0.38
WFP Perpetual Cash	4.28	2.32	1.51	1.35	0.08	0.26	0.24	0.08
Diversified Fixed Interest – median	3.43	-2.01	-0.38	2.08	5.55	5.55	4.82	3.77
WFP Diversified Income	7.83	3.60	3.16	2.85	0.84	1.33	1.85	1.40
WFP Schroder Fixed Income	4.52	-2.70	-0.81	1.18	4.75	5.66	5.15	3.42
WFP Vanguard Fixed Interest	3.11	-2.51	-1.30	1.18	4.62	5.50	5.09	3.70
Property - median	4.70	1.90	2.44	7.03	18.08	17.84	19.09	15.72
WFP Lazard Global Listed Infrastructure	1.28	5.11	3.98	7.25	12.38	12.95	17.91	15.30
WFP Vanguard Australian Property Securities Index	23.06	5.13	3.32	7.75	19.43	19.04	25.92	20.86
Australian Shares - median	12.66	7.06	8.57	9.27	11.22	12.96	16.23	13.85
WFP Ausbil Australian Active Equity	10.81	8.24	10.24	9.23	10.66	13.95	17.84	16.58
WFP Fidelity Australian Equities	6.67	5.16	7.55	8.18	10.66	12.67	15.59	14.44
WFP IML Australian Share	5.73	6.71	5.29	6.70	9.12	9.67	13.33	12.19
WFP Perpetual Australian Share	6.99	6.30	8.72	7.34	10.33	11.59	15.87	14.35
WFP Perpetual Concentrated Equity	9.81	8.75	8.91	8.01	10.33	11.24	16.05	14.70
WFP Perpetual ESG Australian Share	13.75	7.98	10.68	8.88	11.10	11.76	14.49	13.35
WFP Perpetual Geared Australian	6.66	9.19	10.51	10.37	23.83	26.72	35.71	32.74
WFP Perpetual Industrial Share	19.01	9.12	8.94	7.55	11.18	11.80	15.12	13.65
WFP Perpetual Share-Plus Long-Short	11.32	10.72	10.69	9.09	9.13	11.72	14.41	12.80
WFP Perpetual Smaller Companies	7.78	5.64	11.13	9.94	9.60	13.29	15.84	13.51
WFP Vanguard Australian Shares Index	12.32	6.85	7.71	8.00	10.35	12.49	15.93	14.48
International Shares - median	18.23	7.37	10.94	11.07	10.36	12.02	12.00	11.10
WFP Barrow Hanley Global Share	6.93	7.45	9.96	10.95	8.87	10.76	13.96	13.24
WFP Magellan Global	18.79	7.75	8.17	11.16	10.63	12.48	13.67	12.64
WFP MFS Global Equity	5.34	4.04	7.11	9.73	9.16	11.40	14.14	13.29
WFP Perpetual Global Allocation Alpha	13.08	10.31	10.28	9.56	7.79	8.97	12.60	11.66
WFP Platinum International	4.46	3.70	5.85	6.90	7.60	9.29	11.29	11.52
WFP T. Rowe Price Global Equity	19.98	2.04	10.62	12.48	10.28	13.70	15.70	14.58
WFP Vanguard Intl Shares Index	19.29	11.00	12.47	-	11.32	14.76	18.07	-
WFP Vanguard Intl Index Hedged	19.75	6.77	10.03	8.85	9.70	11.55	13.88	10.89
Capital Stable (20-40) - median	6.27	2.49	3.53	4.68	4.03	3.92	4.46	3.60
WFP Perpetual Conservative	5.50	2.28	3.15	3.68	3.69	3.71	4.32	3.35
Conservative Balanced (41-59) - median	8.13	4.09	5.03	6.35	5.17	5.44	6.25	5.27
WFP Perpetual Diversified Growth	6.40	3.70	4.82	4.99	4.47	4.56	6.17	5.37
Balanced (60-76) - median	10.22	5.12	6.63	7.78	7.09	7.53	8.53	7.08
WFP Blackrock Tactical Growth	11.53	4.98	6.58	7.09	6.80	7.85	9.92	8.86
WFP Perpetual Balanced Growth	7.17	5.17	6.56	6.27	5.34	5.71	8.27	7.38
Real Return								
WFP Perpetual Diversified Real Return	3.89	2.13	3.33	-	1.91	2.53	4.04	3.68

source: SuperRatings' Super Fund Crediting Rate Survey (June 2024), Accessed on 31/10/2024

¹ 1st quartile is the highest 25%

² Standard deviation is a commonly used measure of investment risk. A higher standard deviation represents higher volatility in returns which indicates a higher degree of risk or uncertainty in outcomes. A lower standard deviation indicates more predictable or stable outcomes.

³ The investment options are listed below the peer group they are being compared to.

Fees, Costs and the Basis of Setting Fees

This assessment evaluates the Plan's investment option fees in comparison to peer medians.

Administration Fees

These fees cover operational costs including member account management, transaction processing, and member support services. For the assessment period, administration fees were set at 0.25% per annum across all options (with the exception of the Perpetual Cash option at 0.10% per annum). Our analysis indicates these rates are competitive.

Investment Management Fees

These fees reflect the direct costs of investment management, encompassing research, analysis, and trading activities. These expenses represent a direct pass-through of fees charged by external investment managers. The Plan provides members with diverse options, ranging from cost-efficient passively managed funds to selected higher-fee options that offer distinctive investment approaches.

30 June 2024 – peer comparison, administration and investment fees

Fees ⁴	1 st quartile	2 nd quartile	3 rd quartile	4 th quartile
	Admin	Admin	A+I	A+I
Pension Plan ⁵	\$50k	\$100k	\$50k	\$100k
Cash – median	0.42%	0.34%	0.51%	0.43%
Perpetual Cash	0.10%	0.10%	0.10%	0.10%
Fixed income – median	0.42%	0.34%	0.89%	0.81%
Perpetual Diversified Income	0.25%	0.25%	0.70%	0.70%
Schroder Fixed Income	0.25%	0.25%	0.70%	0.70%
Vanguard Australian Fixed Interest Indes	0.25%	0.25%	0.44%	0.44%
Property and Infrastructure – median	0.42%	0.34%	1.23%	1.15%
Lazard Global Listed Infrastructure	0.25%	0.25%	1.05%	1.05%
Vanguard Austalian Property Securities Index	0.25%	0.25%	0.48%	0.48%
Australian Shares – median	0.42%	0.34%	1.21%	1.13%
Ausbil Australian Active Equity	0.25%	0.25%	1.05%	1.05%
Fidelity Australian Equities	0.25%	0.25%	1.00%	1.00%
Investors Mutual Australian Share	0.25%	0.25%	1.05%	1.05%
Perpetual Australian Share	0.25%	0.25%	1.23%	1.23%
Perpetual Concentrated Equity	0.25%	0.25%	1.23%	1.23%
Perpetual ESG Australian Share	0.25%	0.25%	1.43%	1.43%
Perpetual Geared Australian	0.25%	0.25%	2.40%	2.40%
Perpetual Industrial Share	0.25%	0.25%	1.23%	1.23%
Perpetual SHARE-PLUS Long-Short	0.25%	0.25%	1.63%	1.63%
Perpetual Smaller Companies	0.25%	0.25%	1.28%	1.28%
Vanguard Australian Shares Index	0.25%	0.25%	0.41%	0.41%
International Shares median	0.42%	0.34%	1.28%	1.20%
Barrow Hanley Global Share	0.25%	0.25%	1.24%	1.24%
Magellan Global	0.25%	0.25%	1.60%	1.60%
MFS Global	0.25%	0.25%	1.02%	1.02%
Perpetual Global Allocation Alpha	0.25%	0.25%	0.80%	0.80%
Platinum International	0.25%	0.25%	1.60%	1.60%
T.Rowe Price Global Equity	0.25%	0.25%	1.10%	1.10%
Vanguard International Shares Index	0.25%	0.25%	0.43%	0.43%
Vangaurd International Shares Index (Hedged)	0.25%	0.25%	0.46%	0.46%
Diversified – Capital Stable (20-40) - median	0.42%	0.34%	1.03%	0.95%
Perpetual Conservative Growth	0.25%	0.25%	0.90%	0.90%
Diversified - Conservative Balanced (41-59) – median	0.42%	0.34%	1.08%	1.00%
Perpetual Diversified Growth	0.25%	0.25%	0.96%	0.96%
Perpetual Diversified Real Return	0.25%	0.25%	1.10%	1.10%
Diversified - Balanced (60-76) - median	0.42%	0.34%	1.11%	1.03%
BlackRock Tactical Growth	0.25%	0.25%	0.85%	0.85%
Perpetual Balanced Growth	0.25%	0.25%	1.04%	1.04%

⁴ 1st quartile is the highest 25% of fees, 4th quartile is the lowest 25% of fees.

⁵ The investment options are listed below the peer group they are being compared to.

Assessment Factors

Options, benefits and facilities

Member Services

During the 2023-24 financial year, we experienced challenges in delivering our desired outcomes for members in the area of 'options, benefits, and facilities'.

Online Services

During the year there was an outage impacting our online services and transaction processing following a security incident on a system provided by a third party service provider.

Functionality for the myPerpetual online portal was down for an extended period of time and we sincerely apologise for any inconvenience this caused our clients.

It is important to note that all member investments remained safe and secure at all times.

Contact Centre

The outage led to significantly higher volumes of calls and emails to the contact centre. This peak in customer contact meant our response times for both telephone calls and email correspondence fell below our target service levels for an extended period. Service standards gradually recovered, finally returning to target levels during the final quarter of the year.

Overall size and scale of operations

Members of the Plan benefit by PSL being part of the broader Perpetual Group. Perpetual is a global diversified financial services business managing \$215.0 billion in AUM (as at 30 June 2024). This provides sufficient scale to negotiate favourable rates with market leading service providers and to attract and retain key staff members.

The Plan continues to operate in a way which is both sustainable and focussed on delivering good member outcomes. Being part of the Perpetual Group provides the Plan with strong investment management capability backed by broad administration and support services.

⁶ The median values were calculated by Perpetual from data sourced from SuperRatings' SMART Fee module (as at 30 June 2024).

Promoting the financial interests of members

Each year we assess whether we have promoted the financial interests of members by completing the comparisons and assessments summarised in this Member Outcomes Assessment. This year we have determined that the best financial interests of members of the Plan have been promoted.

We would like to thank our members for choosing the Perpetual Wealthfocus Pension Plan for their retirement savings.

Important note

This information has been prepared by Perpetual Superannuation Limited ABN 84 008 416 831 (PSL), AFSL 225246, RSE L0003315 (as trustee for Perpetual WealthFocus Superannuation Fund RSE R1057010, ABN 41 772 007 500). 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 statement (PDS) and target market determination (TMD) for the Perpetual WealthFocus Pension Plan, issued by PSL, should be considered before deciding whether to acquire or maintain an interest in the Fund. The PDS and TMD can be obtained by calling 1800 011 022 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 investment option or the return of an investor's capital. Past performance is not indicative of future performance.

Net returns shown have been calculated net of fees, costs and tax deducted from the Plan. It does not include any fees or costs deducted directly from members' accounts. No allowance has been made for any investment fee rebate for Plan members, if applicable.