

# IMPLEMENTED PORTFOLIOS

Specialist investment manager information  
Issued 1 June 2017

The following incorporated information forms part of PDS issue number 3 dated 1 June 2017 for Implemented Portfolios and should be read in conjunction with the PDS.

The single asset class funds invest with the specialist investment managers.

FUNDS				
SINGLE-ASSET CLASS FUNDS				
FIXED INCOME	REAL ESTATE	AUSTRALIAN SHARE	INTERNATIONAL SHARE	
PANEL OF SPECIALIST INVESTMENT MANAGERS <sup>1</sup>				
FIXED INCOME	DIVERSIFIED CREDIT	REAL ESTATE	AUSTRALIAN SHARES	INTERNATIONAL SHARES
PIMCO* Perpetual Investments Schroders*	Perpetual Investments	Renaissance Asset Management Resolution Capital	Cooper Investors Kaplan Funds Management Perpetual Investments Renaissance Asset Management	Barrow, Hanley, Mewhinney & Strauss Johnston Asset Management Magellan Asset Management Perpetual Investments RWC SouthernSun Asset Management Sustainable Growth Advisers

<sup>1</sup> The cash allocations for the single-asset class Funds are invested with Perpetual Investments.

\* Perpetual Investments has not delegated investment powers to this manager, rather it has selected the strategy in the managers wholesale fund.

## THE SPECIALIST INVESTMENT MANAGERS

The specialist investment managers for the Funds are outlined below.

All figures relating to funds under management are as at 31 March 2017 unless otherwise stated.

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### BARROW, HANLEY, MEWHINNEY & STRAUSS

**Barrow, Hanley, Mewhinney & Strauss ('BHMS')** is a global value equity manager, founded in 1979. BHMS is majority owned by OM Asset Management plc, a UK company listed on the NYSE with substantial resources dedicated to the investment management business.

BHMS is an independently managed company and operates autonomously from its Dallas, Texas headquarters. BHMS offers U.S., non-U.S., global, and emerging markets equity, fixed income, and balanced investment management. Firm-wide assets under management as at 31 December 2016 were US\$92 billion, of which US\$4.1 billion were global value equity assets under management. BHMS' approach to the equity market is based on the underlying philosophy that markets are inefficient. These inefficiencies can best be exploited through adherence to a value-oriented investment process dedicated to the selection of securities on a Bottom-up basis. BHMS has an alliance with BNP Paribas Investment Partners whereby BNPP IP has the exclusive right to distribute BHMS' global equity products in Australia and New Zealand.



**Cooper Investors** is an Australian based specialist equity fund manager with funds under management of approximately \$11 billion. They use their VoF method (Value Latency; Operating, Industry and Strategic Trends; Focused Industry and Management Behaviour) to identify market opportunities.

Cooper Investors is an organisation founded on deep, cultural values (humility; intentionality; curiosity; focus and authenticity). It is 100% employee and owner operated.

The company commenced operations in 2001 and manages money for a range of clients including large pension and superannuation funds, religious institutions, Australian State Government agencies, education endowments, charities and high net worth individuals.

Cooper Investors is a long term, active investors who engages extensively with boards and management. The team is intensely focused on allocating long term capital to quality companies with a value proposition and adds value through performance, proper policies and A grade administration.



**Johnston Asset Management ('Johnston')** is an employee-owned global equity manager founded in 1985 and based in Stamford, CT. Johnston currently manages approximately U.S. \$5.0 billion in assets.

Johnston's philosophy is simple: strong, sustainable earnings growth in high quality companies, purchased when they are selling at depressed prices drives equity investment returns over time. Johnston also believes that emotions rather than fundamentals can dictate share price performance in the short run, creating very attractive, lower-risk entry points in high-quality growth stocks. Johnston constructs a portfolio of high-quality companies that have the potential to dominate their niche or business and employs rigorous fundamental analysis after screening for attractive candidates.

Johnston's experienced management team believes their time-tested, disciplined approach limits downside risk and will provide strong absolute and risk-adjusted performance.



**Kaplan Funds Management Pty Limited ('Kaplan')** was established in 1998 exclusively for wholesale clients and employs an absolute return approach to investment management.

Kaplan aims to achieve positive returns under most conditions with an emphasis on income generation during high risk periods to produce consistent returns with low volatility.

Kaplan manages in excess of \$1.2 billion.



**Magellan Asset Management Limited ('Magellan')** is an Australian-based manager that oversees AUD \$47.7bn (as at 31 March 2017) in global equity and listed infrastructure assets. MAM is a wholly owned subsidiary of Magellan Financial Group Limited, which is listed on the Australian Securities Exchange.

Magellan's investment philosophy is straightforward: it seeks to achieve attractive risk adjusted returns whilst minimising the risk of permanent capital loss. Each of Magellan's funds seek to invest into a portfolio of global companies trading at a discount to their assessment of value.



**Perpetual Investment Management Limited ('Perpetual Investments')** is one of Australia's leading investment managers, with \$32.9 billion in funds under management (as at 31 March 2017). Perpetual Investments is part of the Perpetual Group, which has been in operation for over 125 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth.



**PIMCO** was established in 1971 and is a leading global investment management firm managing over US\$1.47 trillion of assets (as of 31 December 2016) in the world. The firm is also one of the largest specialist fixed interest managers. PIMCO has its headquarters in Newport Beach, U.S.A, with offices located in Sydney, Singapore, Tokyo, Hong Kong, New York, London, Munich, Amsterdam, Toronto, Rio de Janeiro, Zurich and Milan.

PIMCO has been managing assets on behalf of Australian investors since 1997 and now manages A\$36+ billion (as of 31 December 2016). PIMCO's Australian managed funds are designed to meet a range of portfolio needs – from true core bond holdings to innovative strategies that seek to enhance diversification and return opportunities.



**Renaissance Asset Management ("Renaissance")** is a boutique investment manager that was established in 2003 and it specialises in the management of Australian smaller companies portfolios and listed property securities portfolios.

In smaller companies, Renaissance employs an active, bottom up investment style, focusing on building a portfolio of quality smaller companies that are trading on a discount to their assessed valuations. The manager will rotate between different securities based on its assessment of valuation and the risk and return profile of the companies. The portfolio typically holds between 40 and 100 companies.

In listed property securities, Renaissance employs an active, value style, and focuses on bottom-up stock selection. Mispriced securities are identified by the manager using its own research and propriety value ranking system. Stock-specific and portfolio risk controls are then overlaid to determine portfolio weights.



**Resolution Capital Limited ('Resolution Capital')** is a specialist global real estate securities manager with a successful long-term investment track record and strong culture of fiduciary responsibility. The firm was established in 2004 and is headquartered in Sydney and maintains an office in New York. We believe that listed real estate is an excellent means of gaining exposure to the underlying returns of some of the world's highest quality real estate assets in a simple, transparent, liquid and tax efficient form. We are a value orientated investment manager with the objective of delivering superior risk adjusted long term returns, compared with recognised industry benchmarks. This is achieved through investment in a concentrated portfolio of carefully selected listed real estate securities with an emphasis on avoiding fundamental flaws, which could reasonably result in permanent impairment of the underlying investments.



**RWC Partners ('RWC')**, was founded in 2000. Comprised of more than 140 people, including 50 investment professionals based in London, Miami and Singapore, RWC now manages over US \$10bn on behalf its clients.

At the heart of RWC are eight independent investment teams, each led by experts in their specific fields. The teams manage portfolios on behalf of RWC's clients with the common aim of helping them meet their long-term objectives.

RWC's specialist strategies enable investors to access developed and emerging market equities, convertible bonds and income solutions. There is a strong sense of responsibility across the organisation to provide the highest standards of investment management; good value for money, clear information that helps clients and a stable framework that is a both long-term and trustworthy.



**Schroder Investment Management Australia Limited ('Schroders')** is the largest independent active manager in Australia from where it has operated since 1961. Schroders manage more than \$46.6 billion for retail and institutional clients in active strategies across Australian and global equities, fixed income and multi-asset.

Schroders in Australia is a wholly owned subsidiary of Schroders plc, a UK-listed global asset manager that is more than 200 years old. Across the world, Schroders manages A\$636.6 billion (as at September 2016) in active strategies across the major asset classes. Including Australia, Schroders operates from 37 offices in 27 countries across Africa, the Americas, Asia Pacific, Europe and the Middle East.

## THE SPECIALIST INVESTMENT MANAGERS (CONTINUED)

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**SouthernSun Asset Management, LLC ('SouthernSun')** based in Memphis, Tennessee, USA, is a specialist equity manager with approximately US\$4.2 billion (as of December 31, 2016) in assets under management. Since the firm's inception in 1989, Michael Cook, Founder, CEO, and CIO, has been responsible for idea generation, security selection, and portfolio construction. He is supported by a team of research analysts, whom collectively bring a complementary set of industry and financial services experience to the portfolio.

SouthernSun's research-driven investment philosophy focuses on identifying niche dominant companies that generate substantial discretionary cash flow.

Led by Mr. Cook, SouthernSun works to creatively source ideas through "break room to board room" due diligence and by maintaining a global perspective. SouthernSun relies on proprietary, bottom-up, on-site research to identify attractively valued companies that have niche dominance, financial flexibility and proven management teams. SouthernSun executes its research in-house using public documents and a multitude of company and industry specific information sources.



**Sustainable Growth Advisers ('SGA')** was founded in July 2003 by Founding Principals and co-Portfolio Managers George Fraise, Gordon Marchand, and Rob Rohn. The firm is majority owned by employees who are active in the firm. The investment team includes eight primary research analysts, each a generalist with unique perspective resulting from real world experience responsible for the fundamental research that is the hallmark of our investment approach. Since inception, SGA has utilized a common investment philosophy across all client portfolios. SGA focuses on those few differentiated high-quality global businesses that offer strong, predictable, sustainable earnings and cash flow growth over the long term. There are typically 90-100 global companies that meet the fundamental characteristics that we require of all portfolio holdings (pricing power, recurring revenues, global opportunity, management strength, and financial strength) and that have successfully passed our rigorous fundamental research process to be included on what we call the Qualified Company List. From that list we then build portfolios of 25-35 companies, choosing those where we have the highest conviction in the underlying business fundamentals and that offer the most attractive opportunities based on our cash flow based valuation discipline.

SGA is an SEC-registered investment advisor under the Investment Advisors Act of 1940 located in Stamford, CT. As of 30 June 2016 the firm oversaw client assets of \$6.3 billion.

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### CONSENTS

All companies mentioned in this document have consented to the statements made by them and being included in the form and context in which such statements and information appear.

The specialist investment managers have prepared and consented to the statements about them being included.

The companies that have consented have not withdrawn their consent before the issue date of this document and have not authorised or caused the issue of the PDS into which this document is incorporated.

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### MORE INFORMATION

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