

# Minutes

## ANNUAL MEMBERS' MEETING PERPETUAL PRIVATE SUPER WRAP

Date:	Friday, 30 October 2020
Time:	3.00 p.m. – 4.30 p.m.
At:	Level 18 Angel Place, 123 Pitt Street, Sydney NSW 2000 and via live stream
Directors in attendance:	Janet Torney (Chair) Kerry Adby Virginia Malley Chris Green Mark Smith
Responsible Officers and Senior Management in attendance:	Catherine Payne, Head of Office of the Superannuation Trustee Sam Mosse, Chief Risk Officer Amanda Gazal, Chief Operating Officer Sylvie Dimarco, PSL Company Secretary Gan Minithantri, PSL Company Secretary Nicholas Buchanan, Auditor, KPMG Matt Sherwood, Head of Investment Strategy Multi-Assets – Perpetual Investments Kyle Lidbury, Head of Investments Research – Perpetual Private Annie Rozenauers, General Manager Product Gordon Thompson, Senior Manager, Superannuation & Retirement Solutions Ilias Kotronakis, Senior Manager, Platform & Services Products Mary Kapota, Assistant Company Secretary
Apologies:	Nil

The minutes comprise a summary of key aspects of presentations, questions and answers.

	PRESENTER
The meeting commenced at 3.00 p.m.	
<b>1. WELCOME AND INTRODUCTION</b>	Janet Torney, Chair
<p>The Chair, Janet Torney welcomed and thanked all those who joined online for the inaugural Annual Member Meeting of Perpetual Private Super Wrap.</p> <p>The Chair commenced proceedings by formally acknowledging the Gadigal People as the traditional custodians of the land on which the meeting was held. The Chair also acknowledged the traditional custodians of the lands where the meeting was being live streamed.</p> <p>The Chair introduced the members of the board and other responsible officers and informed members that the Fund's external auditor from KPMG was present at the meeting.</p>	

The Chair explained that the Annual Member Meeting was an opportunity for members to hear from key leaders about the Fund, the external investment environment and to ask questions.

The Chair invited members to submit their questions through the event streaming page and noted that these questions and questions submitted prior would be responded to later in the meeting.

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

## 2. CHAIR'S ADDRESS

Janet Torney, Chair

The Chair thanked members for their continued trust in Perpetual Superannuation Limited (**PSL**) to manage their retirement savings.

The Chair presented information on the following matters:

- The key benefits of PSL being wholly owned by Perpetual Limited;
- The strengthening of PSL's strong, standalone governance framework in the 2019-20 financial year, noting:
  - the appreciation for the significant contributions of recently departed directors, Michelene Collopy, Rob Adams and Jay Bonnington and the appointment of Janet Torney, Kerry Aaby and Chris Green as new directors;
  - a review of Board committees resulting in the establishment of the PSL Investment Committee; and
  - the restructure of PSL's Operating Tier in order to deliver a focus on the running of the Fund and drive advocacy, clarity and accountability for the delivery of outcomes for members.
- The Board's long-term strategy to deliver the best outcomes for members by providing market leading superannuation solutions;
- The unprecedented challenges during the year noting the devastating bushfires in Australia's eastern states and the global health and economic crisis caused by COVID-19;
- Key activities of the Fund for the 2019-20 financial year, noting:
  - the commencement of a significant program to enhance our members' online experience and digital engagement;
  - continuing to offer members insurance through the Super Wrap; and
  - the creation of a Client Advocacy Team to provide dedicated resources to address member concerns.
- Super Wrap's financial position as at 30 June 2020 – \$1.5 billion in funds under management and a membership base of 1,498 members.

The Chair then invited the Head of Investment Strategy Multi-Assets at Perpetual Investments to present on the economic influences that are impacting investment decision making.

### 3. ECONOMIC UPDATE

Matt Sherwood, Head of Investment Strategy Multi-Assets presented information on the following:

- Asset class returns, long-term assumptions, valuation-adjusted returns and volatility;
- The global fiscal response to the COVID-19 pandemic;
- Expectations of lower global economic growth, the current coronavirus concerns and anticipated inflation and interest rates;
- Diversified approach aims to manage lower returns and higher volatility.

Matt Sherwood's presentation titled "*The New Cycle – Yearning for Mediocrity*" will be made available on the Perpetual website.

The Chair then invited the Head of Investment Research at Perpetual Private to present on the performance of the Select investment options.

Matt Sherwood,  
Head of Investment  
Strategy Multi-  
Assets at Perpetual  
Investments

### 4. INVESTMENT UPDATE

Kyle Lidbury, Head of Investment Research presented information on key investment performance results for the Super Wrap including:

- Growth and value of Australian and International equities; and
- The implications of expected lower economic growth for portfolios.

Kyle Lidbury's *Investment Update* presentation will be made available on the Perpetual website.

The Chair then invited the General Manager Product at Perpetual Limited to present on recent initiatives to enhance Member Services.

Kyle Lidbury, Head  
of Investments  
Research at  
Perpetual Private

### 5. MEMBER SERVICES AND EXPERIENCE UPDATE

Annie Rozenauers, General Manager Product presented information on the tools and features available to members to manage and grow their superannuation including:

- The Client portal which helps members monitor their portfolios and we have added customised screens and reports to summarise your portfolio information.
- We continue to actively monitor and filter the investment menu recommending around 250 funds to our members with the help of our teams' insights and independent research. Over the year we have added around 60 managed funds to the investment menu and removed around 30 funds.
- Dedicated claims team to help answer questions and navigate the claims process for superannuation insurance matters available to our members; and
- New educational hub called Financial Acuwomen with resources, information and insights on key topics to educate and increase women's confidence in navigating their superannuation, retirement and investment journeys.

Annie Rozenauers,  
General Manager  
Product at  
Perpetual Limited

## 6. CLIENT PORTAL

Ryan Puertollano

Presentation of short video on Perpetual's Client Portal.

## 7. MEMBERS' QUESTIONS AND ANSWERS

Janet Torney, Chair

The Chair introduced the question and answer 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.

Answers to all member questions submitted prior to and at the Annual Member Meeting which require a response are included in these minutes.

Question	Answer	Respondent
What strategy / position are fund managers taking as we come out of the pandemic?	<p>It's actually hard to say that we're coming out of the pandemic as yet. Overseas (and as widely predicted), a second wave of infections across Europe has resulted in further lockdowns and, whether you call it a second wave or a reacceleration of their first wave, cases are also spiking in parts of the US. Despite the rally in markets we've seen since the bottom in March 2020, over the last few days we've seen markets take a risk-off mood demonstrating that volatility will be here to stay until some sort of permanent solution, either via an efficacious vaccine or markedly better treatments, can be found.</p> <p>Whilst passive investment options have followed the market up and down, we've seen different types of active managers outperform in different ways as we've gone through the various market gyrations. As we've talked about, one of the biggest characteristics of this pandemic has been divergence – between asset classes, industries, geographies, large and small businesses and manager styles. COVID-19 has produced winners and losers in many different ways.</p> <p>To generally sum up:</p> <ul style="list-style-type: none"><li>• active fixed interest managers struggled to outperform during the crisis due to generally being short duration and long credit risk relative to their benchmarks. We've seen these managers bounce back strongly off the back of credit rebounding.</li><li>• Property managers have outperformed if they were in the right sectors and types of property. Retail and office have underperformed, industrial and residential have outperformed.</li><li>• Equities growth managers have continued to outperform as sectors that have been winners from COVID-19, such as technology and healthcare, have outperformed more value-oriented sectors, such as financials, cyclicals and industrials.</li></ul>	Kyle Lidbury

Alternatives suffered mark to market losses during the crisis, however to nowhere near the depth of traditional markets. Likewise, the snap back hasn't been as strong, however illiquidity and inefficiency in these markets will be exacerbated by the crisis and should present good opportunities for skilled managers with sufficient dry powder.

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**8. CLOSURE**

Janet Torney, Chair

The Chair thanked members for their participation and declared the meeting closed at 4.08 p.m.

**SIGNED BY:**

**CHAIR**

**DATE**