Perpetual Super Wrap

RSE R1074406

ABN 22 897 174 641

Annual Outcomes Assessment

Annual Determination: 30 June 2021

Perpetual Superannuation Limited

ABN 84 008 416 831 AFSL 225246 RSE L0003315

Annual Outcomes Assessment

The Annual Outcome Assessment considers a range of comparisons and assessments which Perpetual Superannuation Limited, as trustee of the Perpetual Super Wrap (Fund), uses to determine whether it has promoted the financial interests of our members. Broadly, this includes an assessment as to whether the Fund's investment strategy, fees and costs and other factors such as the services provided to members remain appropriate for members of the Fund.

Whilst the above considerations are important factors in making our determination, the primary factor in determining whether we have promoted members' financial interests is how we deliver investment return and manage investment risk. We seek to provide members and their advisers with a comprehensive investment menu from which they can create investment portfolios to meet the member's retirement portfolio needs. The Trustee provides oversight of the quality of the investment options and as a result may update the investment menu periodically.

Determination for period ending 30 June 2021

We have determined that we have promoted the financial interests of members of Perpetual Super Wrap.

Investment strategy

The Fund has met its overall investment objective of offering a range of member investment options by maintaining a menu of over 220 managed funds, ASX Listed Securities and a panel of Term Deposits.

We offer a broad investment menu of managed funds, term deposits and ASX listed securities from which members and their advisers can select to build diversified investment portfolios. Investment options have also been created across different asset classes each with their own investment objective and investment strategy. Managed funds, ASX listed securities and term deposits are assigned to the appropriate Investment Option Classification which aligns with the asset allocation and asset type.

For the period ending 30 June 2021, the Fund continued to offer a broad range of Investment Options to members and their advisers. Periodic reviews were conducted on the underlying managed funds to assess their performance against their Investment Options objectives - which included quantitative and qualitative assessments. This resulted in some managed funds being highlighted and monitored for improvements and recommendations being made to add or remove certain managed funds throughout the year. As a result, the Fund has continued to meet its overall investment strategy of offering a range of Investment Options to members which have different levels of risk and generate investment returns through a choice of fund managers, asset types, investment styles and investment philosophies.

Fees and costs

The basis for the setting of fees is appropriate and the fund's operating costs are not inappropriately affecting members' financial interests.

The administration fees set out for the Super Wrap public offer use scales which appear higher when compared to comparable peer super wrap products. However, the Fund charges fees which are all inclusive and commensurate with the benefits available to members. This fee structure is in line with what our target member has requested. Most peers charge base fees which are lower but can also charge transactional fees, menu access fees and expense recovery fees.

A comprehensive review of fees and costs for the Fund is earmarked for completion by 30 June 2022.

Options, benefits and facilities

The options, benefits and facilitates offered under the Fund are appropriate for the members.

The Fund has continued to provide a high-level of services to members and their advisers during the period. The Fund saw increased volumes during the period which saw parts of the country enter COVID lockdowns. The Fund continued to concentrate on being able to better service members and their advisers through expanded use of digital means. Upgrades also continued to be made to the Client Portal and a new Adviser Portal was recently launched to assist advisers with monitoring member portfolios and servicing member requests.

We continue to progressively make changes to how the Fund can better respond to member and adviser requests and continue to rollout upgrades to the Client and Adviser Portal for the 2022 year.

Insurance strategy and premiums

The insurance strategy of the Fund is appropriate for members and the insurance premiums are not inappropriately eroding the retirement benefits of members.

The Fund offers insurance on a voluntary basis to members through two retail insurance providers. Members and their advisers can decide the type and level of insurance cover they wish to hold. We seek to inform members and their advisers of the level and type of cover they hold through online reporting and member statements. We also conduct monitoring and will contact an adviser and the member where the level of insurance is high (greater than 5% of the account balance) and there is a risk of insurance premiums inappropriately eroding retirement savings.

Overall size and scale of operations

Members of the Fund enjoy the benefits of scale.

The Fund is able to benefit from being part of the Perpetual Private Wrap and broader Perpetual Group. Perpetual is a global diversified financial services business managing close to $100bn in assets (as at 30 June 2021). In addition, the Fund also benefits from partnering with an administrator who also operates a large superannuation and investment platform.

Investment Strategy and level of risk and returns

The investment objective for the Fund as a whole is to offer a sufficiently broad range of investment options including a menu of over 220 managed funds, term deposits and ASX listed securities. Each investment option has different levels of risk and generates investment returns in different ways, over different time frames and from different asset classes.

The broad range of investment options offered by the Fund allows members and their advisers to select and mix investments to create diversified investment portfolios which meet their own particular needs and circumstances.

The investment options are assigned to an appropriate Investment Option Classification which contain an investment objective. We review the managed fund menu at least quarterly against the respective investment objective of the relevant Investment Option Classification. Additional quantitative and qualitative assessments may be conducted based on the results which can include seeking manager commentary and input from research ratings agencies.

For the period ending 30 June 2021 we removed (or the fund manager closed) five managed funds and we added three new managed funds to the Fund's investment menu. As at 31 June 2021, 10 of the 227 managed funds have been flagged as not having met their Investment Option Classification's investment objective. However, there are other factors which need to be taken into account, eg strong research ratings, action(s) taken by the manager to address any issue or the stated investment style is not currently in favour. These funds will continue to be monitored in line with Perpetual's Investment policy.

Comparison of fees and costs and basis for setting fees

The Fund charges members fees which are generally all-inclusive, meaning that there are currently no transaction costs or additional fees being charged to access different investment menus or services like other peers do. Similarly, there are no expense recovery fees being charged to recover certain costs. The administration fees have been set in line with the expectations of our target member who seeks to have access to and take advantage of the Fund's full range of features, including the full investment menu, without having to pay additional transaction fees or access fees to do so.

	Perpetual Private Super Wrap	Macquarie Consolidator II Super Elevate	Netwealth Wealth Accelerator Plus	BT Panorama Super	Hub 24 Super	AMP North Super	First Wrap Super
Administration Fees	$0-$500k 0.65% $500k-$1m 0.45% Over $1m 0.25% Trustee fee 0.10%	$0-$300k 0.3% $300k-$500k 0.2% $500-$1m 0.1% $1m-$1.25m 0.05% Over $1.25m Nil	$0-$250k 0.37% $250k-$500k 0.27%. $500k-$1m 0.17%. $1m-$2.5m 0.06% Over $2.5m Nil	$0-$1m 0.15% Over $1m Nil	$0-$250k 0.56% 250k-$500k 0.46% $500k-$1m 0.30% Over $1m 0.11% Max $5,150 pa	$0-$150k 0.62% $150k-$400k 0.40% $400k - $750k 0.32% Over $750K 0.27% Single max fee $2,800 Family max fee $3,800	$0-$100k 0.55% $100k-$250k 0.41% $250k- $500k 0.30% $500k-$1m 0.15% $1m-$3m 0.07% Over $3m Nil
Account Keeping/ Menu Access Fee		$528pa	$240pa	$540pa	$180pa	$90.96pa	
Expense Recovery			0.025%	$95pa + 0.03%pa	First $1m 0.035% Over $1m Nil		
Custodial fee				$300 pa			

Operating costs have reduced slightly during the year and remain similar to those of peers.

To ensure our approach to setting fees remains appropriate, a review is underway and scheduled to be completed by 30 June 2022 given the fees are higher when compared to peers who generally charge lower administration fees but include transaction/service fees and expense recoveries.

Options, benefits and facilities

Members and their advisers continue to benefit from the services being delivered by the Fund which are geared toward providing them with access to the investments, tools and reporting they need to implement and monitor the member's investment portfolio to achieve their retirement goals.

The service and administration centres have had to adapt further to COVID lockdowns which have meant further expanding the ability to accept electronic signatures and use of online requests and forms to assist members and advisers with administering their accounts – for example death benefit and tax deduction nomination requests have been digitised. Additional resources are also being hired as a result of the growth of the Perpetual Private Wrap and increased demand on services.

The Client Portal and Adviser Portal provide members and advisers with a simple and intuitive way to access information. Progressive updates have continued to be made to the Client Portal including upgrades to security and new reports. Similarly, a new Adviser Portal was made available to advisers to assist them with delivering their services to members. Continual improvements to both the Client Portal and Adviser Portal will continue to be made throughout 2022.

Insurance strategy and benefit erosion

The insurance objective of the Fund is to provide a choice of suitable retail insurance policies which allow members and their advisers to tailor the type and level of cover they need based on their needs.

The retail insurance provided by the Fund is on an opt-in basis from two different providers and allows members and their advisers to choose a suitable policy that meets their needs. It is recognised that members in the Fund will generally arrive at the level of cover they require with the advice of their adviser.

The Fund provides members and their advisers with reports and statements which help them monitor the type and level of cover they have and the insurance premiums they are paying. The adviser also has access to the portals of the retail insurance providers.

To help protect member's superannuation benefits from being inappropriately eroded by the cost of insurance premiums on an annual basis the Fund monitors the level of insurance premiums a member is paying relative to their account balance. The adviser and the member will be made aware where the insurance premium is more than 5% of their account balance.

Overall Size and Scale

The Fund is offered to members who are typically engaged and advised. The Fund is one of a number of products and services which leverages the size and scale of the Perpetual Private Wrap and the wider Perpetual Group a diversified financial services company which manages or administers close to $100bn in assets comprised of domestic and international asset management, corporate trustee services and financial advice.

The Fund uses Perpetual Group's funds management, administration, tax, fund accounting, product, legal and risk resources when delivering services to members. The Fund is also able to leverage the scale and capabilities of the outsourced partners including the administrator who similarly also operates their own superannuation and investment platform.

Members of the fund benefit from the scale and growth of the Perpetual Group and that of it's outsourced partners which can be seen through the initial provision and ongoing enhancements of key features, functionality and menus directed at the needs of the Fund's members and their advisers. This includes for example new tools and functionality in the Adviser Portal to help the adviser mange the member's retirement portfolio, the maintenance (including monitoring) of an investment menu broad enough to cater to member and their adviser's needs and regular enhancements to the Client Portal to help members remained informed.

Comparisons of the Fund's operational expenses to peers shows expenses are similar to peers or reducing, while the fund is at the same time still able to deliver these features and enhancements to members and their advisers.

Important note:

This information has been prepared by Perpetual Superannuation Limited ABN 84 008 416 831 (PSL), AFSL 225246, RSE L0003315 (as trustee for the Perpetual Super Wrap ABN 22 897 174 641, RSE R1074406). 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 statements (PDSs) for the Perpetual Super Wrap, issued by PSL, should be considered before deciding whether to invest through the Fund.

No company in the Perpetual Group (Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. Past performance is not indicative of future performance.

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