

PERPETUAL SELECT SUPER PLAN

Your Super Plan account

IMPORTANT NOTES

The information in this document forms part of Product Disclosure Statement issue number 9 dated 30 June 2019 (PDS) for Perpetual Select Super Plan and Pension Plan and should be read in conjunction with the PDS.

This document contains important additional information about:

- how super works, including eligibility to invest and accessing your benefit
- the features and benefits of the Super Plan, which includes details about opening and operating your Super Plan account
- investment risks
- how we invest your money, including profiles for each of the investment options available to Super Plan members
- how super is taxed.

We may update this document where we can according to the Fund's Trust Deed and the law. The updated document will be available at our website and you can also obtain a copy free of charge upon request. You should keep a copy of this document and any updates to it for your reference.

**YOUR SUPER PLAN ACCOUNT
DATED 30 JUNE 2019**

Issued by Perpetual Superannuation Limited
ABN 84 008 416 831 AFSL 225246 RSE L0003315

Perpetual 

HOW SUPER WORKS

INVESTING IN SUPERANNUATION

While superannuation may seem complex, the concept behind it is simple – it's a means of saving now so you can enjoy a financially comfortable lifestyle when you retire. To encourage superannuation savings, the Federal Government (Government) has provided some distinct tax advantages:

- you can invest 'before-tax' income through salary sacrifice
- the earnings on your investment are concessional tax, with a maximum tax rate of 15%
- your benefits are tax-free if received after you turn 60.

Please refer to 'Tax' on page 28 for further general information.

ELIGIBILITY TO INVEST

Superannuation contributions can generally be accepted from you or from your employer or your spouse (legal or de facto) on your behalf if you meet the requirements shown in the table below.

INVESTING IN THE SUPER PLAN

Your investment in the Super Plan can include:

- personal contributions
- salary sacrifice contributions
- employer contributions
- spouse contributions

- Government co-contributions
- transfers and rollovers from other superannuation funds, approved deposit funds or retirement savings accounts.

CONTRIBUTIONS FROM MEMBERS AGED 65 TO 74

For members between ages 65 and 74 (inclusive) who contribute personally, or via salary sacrifice, we'll need regular confirmation that you comply with the applicable work test rules outlined in the table below.

If you make additional contributions, in addition to providing us with an initial declaration that you are eligible to contribute, we'll seek your confirmation at least annually that you continue to satisfy the relevant work test.

From 1 July 2019, members between ages 65 to 74 (inclusive) with a total superannuation balance (see footnote 1 to 'Provision to make 'catch-up' concessional contributions' on page 3 for definition) below \$300,000 on 30 June of the previous financial year who do not meet the work test in the current financial year will be able to make personal or salary sacrifice contributions for a further 12 months where they met the work test in the previous financial year. A member may only rely on this work test exemption once.

The Government has proposed that, from 1 July 2020, the work test will apply from age 67 rather than 65.

ELIGIBILITY FOR SUPERANNUATION CONTRIBUTIONS

YOUR SITUATION	CONCESSIONAL CONTRIBUTIONS			NON-CONCESSIONAL CONTRIBUTIONS		
	FROM YOUR EMPLOYER			PERSONAL	PERSONAL	FROM YOUR SPOUSE
	SG ¹	AWARD	VOLUNTARY			
You are under age 65. ^{2,3}	●	●	●	●	●	●
You are aged 65 ³ to 69 (inclusive) and have worked at least 40 hours in a period of no more than 30 consecutive days during the financial year.	●	●	●	●	● ⁴	●
You are aged 70 to 74 (inclusive) and have worked at least 40 hours in a period of no more than 30 consecutive days during the financial year.	●	●	●	●	● ⁴	⁵
You are aged 75 or over.	●	●			● ⁶	

- 1 SG (Superannuation Guarantee) – Your employer is generally required to pay contributions on your behalf (currently 9.5% of your salary, increasing gradually to 12%).
- 2 To join the Super Plan if you are less than 18 years old, you must be gainfully employed by a third party and the Super Plan will be receiving compulsory employer contributions.
- 3 The Government has proposed that, from 1 July 2020, the work test will apply from age 67 rather than 65.
- 4 You do not need to satisfy the age and work tests after age 65 for downsizer contributions of up to \$300,000 made from the proceeds following the sale of your principal residence (see 'Downsizer contributions' on page 3 for further information).
- 5 The Government has proposed that, from 1 July 2020, spouse contributions will be able to be made if the receiving spouse is under age 75 and meets the work test.
- 6 The only type of non-concessional contribution that can be made after age 75 are downsizer contributions (see 'Downsizer contributions' on page 3 for further information).

CONTRIBUTION LIMITS

Subject to the eligibility requirements, there are also some restrictions on the amount of contributions that can be made into the Super Plan before additional taxes are charged, as detailed below. The Super Plan can accept all of the following types of contributions.

You can obtain further information about contribution limits, including details of any updated threshold amounts each year, from www.ato.gov.au.

CONCESSIONAL CONTRIBUTIONS

Concessional contributions generally include employer contributions (including superannuation guarantee and salary sacrifice) and personal contributions for which you claim a tax deduction.

The concessional contributions cap is \$25,000 for the 2018/2019 and 2019/2020 financial years. This amount will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) once the increase in the indexed amount is greater than \$2,500.

Excess concessional contributions attract additional tax (see page 28 for details) and may also count towards your non-concessional contributions limit (see below).

PROVISION TO MAKE 'CATCH-UP' CONCESSIONAL CONTRIBUTIONS

Members with a total superannuation balance¹ of less than \$500,000 on 30 June of the previous financial year who have not fully utilised their concessional contributions cap in the 2018/2019 or subsequent financial years will be able to carry forward the unused cap amounts on a rolling five consecutive year basis to make additional concessional contributions. The 2019/2020 financial year will be the first time that additional concessional contributions will be able to be made.

1 Your total superannuation balance is generally the withdrawal value of all of your superannuation, including any accumulation, transition to retirement and pension accounts, adjusted for any structured settlement contributions. You can check your total superannuation balance using the Australian Taxation Office (ATO) online services through myGov.

NON-CONCESSIONAL CONTRIBUTIONS

These contributions are also referred to as 'after-tax contributions'.

The non-concessional contributions cap is four times the concessional contributions cap noted above (that is, \$100,000 for the 2018/2019 and 2019/2020 financial years). However, if you have a total superannuation balance of \$1.6 million or more on 30 June of the previous financial year, you will not be eligible to make non-concessional contributions in that financial year. Members under age 65 will be eligible to bring forward two or three years of non-concessional contributions depending on their total superannuation balance.

Excess non-concessional contributions attract additional tax (see page 28 for details). We generally won't accept single non-concessional contributions over the cap, but you are responsible for monitoring your total non-concessional contributions against the cap.

Any spouse contributions are counted towards the receiving spouse's non-concessional contributions limit.

CONTRIBUTIONS MADE FROM PERSONAL INJURY SETTLEMENTS

Settlement proceeds (structured settlements) received for an injury resulting in permanent disablement that meet the qualifying criteria² are exempt from the non-concessional contributions limit and are excluded from a member's total superannuation balance.

- Two qualified medical practitioners must certify that as a result of the injury the individual is unlikely to ever be able to be gainfully employed in a capacity for which they are reasonably qualified because of education, experience or training, the contribution of the personal injury settlement payment must be made to a superannuation fund within 90 days of the payment being received or the structured settlement coming into effect (whichever is later) and the individual must ensure that the fund is aware that the contribution is being made under this exemption before or when making the contribution and provide a completed 'Contributions for personal injury election' form (available from the ATO website).

DOWNSIZER CONTRIBUTIONS

Members aged 65 or over can make additional contributions of up to \$300,000 from the proceeds following the sale of their principal residence on or after 1 July 2018 (which they must have owned for the past 10 or more years), provided they meet the qualifying criteria³ and:

- both members of a couple can contribute in respect of the same house
- the contribution amount is exempt from the superannuation age and work tests normally applying after age 65 and the \$1.6 million total super balance test for making non-concessional contributions
- the contribution amount is **not** exempt from the Centrelink age pension assets test.

- The contribution must be made to the super fund within 90 days generally from the date of settlement. The individual must also ensure that the fund is aware that the contribution is being made under this provision before or when making the contribution and provide a completed 'Downsizer contribution into superannuation' form (available from the ATO website).

GOVERNMENT CO-CONTRIBUTIONS

Members may be eligible for the Government co-contribution if:

- the member has made personal non-concessional contributions up to \$1,000 during that financial year
- the member has a total income (assessable income plus reportable fringe benefits and reportable employer super contributions less allowable deductions for carrying on a business, where applicable) less than the higher income threshold (see page 4)
- 10% or more of the member's total income must come from employment-related activities and/or carrying on a business

- the member is less than 71 years of age at the end of the financial year
- the income tax return for the member for the financial year has been lodged
- the member's non-concessional contributions for the financial year do not exceed their non-concessional contributions cap for that year
- the member's total superannuation balance is less than \$1.6 million on 30 June of the previous financial year
- the member is not the holder of a temporary visa during the financial year.

The co-contribution rate is 50%, with a maximum \$500 co-contribution applying for individuals with a total income up to the lower income threshold (see below), which reduces by 3.333 cents for every \$1 of total income up to the higher income threshold where it ceases to apply.

For the 2018/2019 financial year, the lower income threshold is \$37,697 with a higher income threshold of \$52,697. For the 2019/2020 financial year, the lower income threshold is \$38,564 with a higher income threshold of \$53,564. The higher income threshold is set at \$15,000 above the (indexed) lower income threshold.

LOW INCOME SUPERANNUATION TAX OFFSET

A superannuation contribution of up to \$500 annually (not indexed) will be paid by the Government for individuals on adjusted taxable incomes of up to \$37,000. The amount payable into the individual's superannuation account will be calculated by applying a 15% matching rate to the concessional contributions made by or for such eligible individuals.

This effectively means that eligible individuals can have \$3,333 in concessional contributions made to superannuation each year without having their benefits reduced by contributions tax as the \$500 payment will offset the contributions tax payable.

SMALL BUSINESS CAPITAL GAINS

Small business owners who qualify for the small business capital gains tax (CGT) concessions may be exempt from the non-concessional contributions limit. The proceeds from the disposal of eligible assets are exempt up to a lifetime limit of \$1.480 million for the 2018/2019 financial year and \$1.515 million for the 2019/2020 financial year (indexed) if certain conditions⁴ are met (speak to your financial adviser).

⁴ The individual must ensure the fund is aware that the contribution is being made under these provisions before or when making the contribution and provide a completed 'Capital gains tax cap election' form (available from the ATO website).

FIRST HOME SAVER SUPER (FHSS) SCHEME

The FHSS scheme administered by the ATO allows first home buyers to contribute up to \$15,000 per year (and \$30,000 in total) to superannuation, within the relevant contribution caps. This includes personal and salary sacrifice contributions (voluntary contributions) but not superannuation guarantee contributions.

Eligible individuals can apply to the ATO for these voluntary contributions plus deemed earnings (at a rate which will be calculated by the ATO using the 90-day Bank Bill rate plus 3%) to be withdrawn under the FHSS scheme. The contributions plus deemed earnings will only be released subject to a release authority being provided by the ATO to the fund. Any amounts released by the fund are required to be paid to the ATO.

Withdrawals of concessional contributions plus deemed earnings will be taxed at the individual's marginal tax rate (plus Medicare levy) less a 30% tax offset. Withdrawals of non-concessional contributions will not be subject to tax. The ATO will withhold any applicable tax before paying the net amount released to the individual.

If the released amount is not used to acquire a property within 12 months, you can:

- apply to the ATO for an extension up to a maximum of a further 12 months
- recontribute an amount (which must be at least equal to the assessable FHSS released amount, less any tax that was withheld) back into super as a non-concessional contribution within the 12-month period (or the extended time period, if granted) and notify the ATO of the recontributed amount
- pay FHSS tax of 20% on the assessable amount that was released.

When you are ready to receive your FHSS amounts, you need to apply to the Commissioner of Taxation for a FHSS determination and a release. You can apply online using your myGov account linked to the ATO.

CONSOLIDATING YOUR SUPERANNUATION INTO THE SUPER PLAN

If you have other superannuation accounts, you may wish to consolidate your superannuation into one account within the Super Plan. This will make it easier to manage your superannuation and may save you money with ongoing fees and costs. However, you should check if any exit or transfer fees will be charged by your other superannuation provider(s) before you decide to proceed with consolidating your superannuation accounts.

If you transfer from another superannuation fund, you should consider whether the transfer may also impact your insurance arrangements with that fund, if any.

Please complete the 'Transfer authority' form provided with the PDS if you wish to consolidate your superannuation into the Super Plan. You can send it directly to your other fund(s) or, if you send it to us, we'll arrange the transfer on your behalf.

SUPER CONTRIBUTIONS SPLITTING

You may apply to have up to 85% of any concessional contributions up to the concessional contributions cap in any financial year transferred to a superannuation account in the name of your spouse (if applicable).

Non-concessional contributions, rollovers and transfers of overseas superannuation benefits to an Australian fund can't be split.

Super contributions splitting in the Super Plan generally works as follows:

- a member's application to transfer the contributions for a financial year must be made in writing and may only be made after the end of that financial year (or during the financial year where the member's entire benefit is being withdrawn from the Super Plan)
- a member may only make one application to Perpetual to split contributions in the Super Plan in each financial year
- the member's application must contain a confirmation from their receiving spouse either that:
 - they haven't reached their preservation age or
 - if they are between their preservation age and 65 years, they haven't satisfied a relevant condition of release (see 'Accessing your superannuation benefit' on this page for details about preservation age)
- Perpetual will then transfer the relevant amount from the member's account to an account for the spouse, as soon as is practicable (and in any case within 90 days) after receiving a valid application from the member.

Further information on super contributions splitting, including a form you can use to apply to split your contributions with your spouse, is available at our website. Alternatively, you may contact us directly. We recommend you consult your financial and/or tax adviser if you are considering super contributions splitting.

SUPERANNUATION CHOICE OF FUND

Many Australians may choose to have their future employer superannuation guarantee contributions paid into a fund of their choice.

To see if you are eligible, contact your employer.

EXERCISING CHOICE OF FUND

If you are eligible, a 'standard choice form' (available from your employer or the ATO) enables you to choose a superannuation fund to which your employer is to contribute.

It's easy to direct employer contributions and your own personal contributions into the Super Plan.

Please complete the 'Super Plan application' form in the PDS and send it to us. When you receive your initial investment statement for the Super Plan, simply:

1. complete the 'Fund choice nomination' form in the PDS and
2. give this form (with the 'Complying fund statement' on the reverse side of the form) to your employer.

ACCESSING YOUR SUPERANNUATION BENEFIT

Superannuation is a long-term investment and the Government has placed restrictions on when you can access your benefit, as shown in the 'Conditions of release for superannuation benefits' table on this page.

You can withdraw any 'unrestricted non-preserved' benefits at any time.

There is no compulsory payment of superannuation benefits at any time.

Part of your superannuation benefit may be paid to your spouse or former spouse as a consequence of the superannuation benefit payment provisions under family law splitting laws (see 'Superannuation and family law' on page 6 for further information).

CONDITIONS OF RELEASE FOR SUPERANNUATION BENEFITS

EVENT	PRESERVED BENEFITS	RESTRICTED NON-PRESERVED BENEFITS
Reaching age 65	●	●
Retiring ¹ having reached your preservation age ²	●	●
Leaving employment after age 60	●	●
Ceasing employment without satisfying any of the above conditions ³		●
Starting a 'transition to retirement' pension after reaching your preservation age ²	● ⁴	● ⁴
Permanent incapacity ³	●	●
Temporary incapacity (for release of insurance benefits only) ³	● ⁴	● ⁴
Diagnosed with a terminal medical condition likely to result in your death within 24 months ³	●	●
Severe financial hardship ³	●	●
Compassionate grounds ³	●	●
Death ⁵	●	●
Departing Australia superannuation payment (DASP) ^{3,6}	●	●
Previously classified as a lost member ⁷ and total benefit in the Fund is less than \$200	●	●
A valid release authority authorised by the ATO ⁸	●	●

- 1 Under superannuation law, this means an arrangement under which you were gainfully employed has ceased and you don't intend to become gainfully employed for 10 hours or more each week again.
- 2 Preservation age is determined by your date of birth, as shown in the following table.
- 3 There are additional requirements you'll need to satisfy before a payment can be made.
- 4 Your benefit can only be taken as an income stream.
- 5 See 'Death benefits' on page 7 for more information.
- 6 Applies to temporary residents (excluding Australian citizens, New Zealand citizens or permanent residents) who have left Australia and their visa has ceased to be in effect.
- 7 See 'Lost member accounts' on this page for details.
- 8 See 'Contribution limits' on page 3 and 'Tax' on page 28 for more information.

PRESERVATION AGE

DATE OF BIRTH	PRESERVATION AGE
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

SUPERANNUATION AND FAMILY LAW

The law allows for superannuation benefits to be split between you and your spouse (including a de facto spouse of the same or different sex) in the case of legal separation or divorce. Under the law, we may be required to:

- provide certain information about your superannuation interest to certain eligible persons without notifying you of the request and/or
- 'flag' and/or split your superannuation interest according to a superannuation agreement or Family Court order.

Although the Fund's Trust Deed allows us to charge fees for related transactions, we currently don't intend to do so and will notify you before any change.

The legal requirements for splitting your superannuation in these circumstances are complex and effecting a split of your superannuation interest may have significant financial and tax consequences for you. We therefore recommend that you seek professional legal, tax and financial advice on how these provisions may affect you.

INVESTMENTS AND SOCIAL SECURITY

Your investment in the Fund may affect your social security or pension entitlements. The calculations are complex so we recommend that you seek advice from your financial or tax adviser, or use the Financial Information Service provided by the Department of Human Services.

SUPERANNUATION BENEFIT TRANSFERS TO THE ATO

We are required by law to transfer the following superannuation benefits to the ATO:

- inactive low-balance accounts

- lost member accounts
- unclaimed benefits.

After payment to the ATO, we are discharged from any further liability for payment of the benefit.

You can consolidate superannuation benefits transferred to the ATO into an active superannuation account through your myGov account. Alternatively, the ATO is required to pay any superannuation amounts it holds into an active superannuation account held by the member where the consolidated balance will be \$6,000 or more.

Interest will generally be paid at a rate equivalent to CPI inflation on all superannuation benefit amounts reclaimed from the ATO.

INACTIVE LOW-BALANCE ACCOUNTS

An inactive low-balance account is an account with a balance of less than \$6,000 where the member has had no contributions for 16 months and where the member has **not**:

- made changes to their investment option(s)
- made changes to their insurance cover
- made or amended a binding beneficiary nomination or
- confirmed that they want their account to remain with their super fund by providing the fund with a completed 'Inactive low-balance accounts – Authorising your fund to provide a written declaration to the ATO' form (available from the ATO website) at least 30 days before the relevant reporting date (see below for details).

Inactive low-balance accounts must be identified as at 30 June and 31 December each year and reported to the ATO on the following 31 October and 30 April respectively. The balances of those accounts remaining inactive at that time must then be transferred to the ATO.

LOST MEMBER ACCOUNTS

You will be considered a lost member in the Fund if you are uncontactable if:

- either:
 - the Fund has never had an address (whether non-electronic or electronic) for you
 - or**
 - at least one written communication (whether non-electronic or electronic) has been sent to your last known address (or addresses) and we believe, on reasonable grounds (eg communication returned unclaimed), that you can no longer be contacted at any address known to us **and**
- you have not contacted us (whether by written communication or otherwise) within the last 12 months **and**
- you have not accessed details about your interest in the Fund from any electronic facility we have provided within the last 12 months **and**
- we have not received a contribution or rollover for you within the last 12 months.

SMALL OR INSOLUBLE LOST MEMBER ACCOUNTS

A lost member account is also taken to be unclaimed super money if either:

- the balance of the lost member account is less than \$6,000 (small lost member account) or
- the lost member account has been inactive for 12 months and we are satisfied that it will never be possible to pay the benefit to the member (insoluble lost member account).

UNCLAIMED BENEFITS

Your superannuation may be treated as unclaimed money if you:

- have reached age 65 and we have not received an amount on your behalf for at least two years and five years have passed since we last had contact with you or
- were a temporary resident who has permanently departed Australia and you did not claim your benefits within six months of the later of the date of your departure or your visa ceasing to be effective (except if you are an Australian or New Zealand citizen). We will make all reasonable efforts to contact you in such circumstances, however, it is important that you notify us of any changes to your details.

BANKRUPTCY

If you are declared bankrupt, we may be required to pay contributions to an administrator in bankruptcy under the direction of a court.

DEATH BENEFITS

In the event of your death, your benefit will generally be paid to one or more of your dependants or to your legal personal representative. The Trust Deed permits you to:

- give a direction (binding nomination) to the Trustee about the distribution of your death benefit
- nominate your preferred beneficiaries (non-binding nomination) but ultimately leave it to the discretion of the Trustee to decide how your death benefit is to be distributed among your beneficiaries and/or legal personal representative (if the Trustee can't locate any dependants the benefit may be paid to your legal personal representative).

There are different tax consequences depending on the type of nomination you make and the beneficiaries. We recommend that you consult a financial and/or tax adviser before making any nomination.

To make a nomination, indicate this on your application form and also complete the 'Nomination of beneficiary' form and attach it to your application.

If you don't make a nomination, the Trustee will use its discretion under the Trust Deed (subject to the law) to determine the beneficiaries and most appropriate method of payment for your death benefit.

BINDING NOMINATIONS

A binding nomination binds the Trustee to make payment of your death benefit according to your instructions, provided your nomination is valid under the law and the rules in the Trust Deed.

A binding death benefit nomination must be confirmed every three years to remain effective and loses effect with certain events (eg marriage, remarriage or divorce). You should read the binding death benefit nomination rules in the Trust Deed. We recommend that you obtain professional financial and/or tax advice when determining your estate planning structure.

NON-BINDING NOMINATIONS

This information gives the Trustee an indication of your wishes and will help us to exercise our discretion. However, it doesn't necessarily mean that the benefit will be distributed in this way.

DEPENDANTS

For the purpose of paying a death benefit under superannuation law, a member's dependant is a:

- spouse
- child
- person who was financially dependent on you at the time of your death
- person who you have an 'interdependency relationship' with.

A member's 'spouse' includes:

- another person (whether of the same sex or a different sex) with whom a member is in a relationship that is registered under relevant law and
- another person who, although not legally married to the member, lives with the member on a genuine domestic basis in a relationship as a couple.

A member's 'child' includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the member's spouse
- someone who is a child of the member under family law.

Two people have an 'interdependency relationship' if:

1. they have a close personal relationship and
2. they live together and
3. one or each of them provides the other with financial support and
4. one or each of them provides the other with domestic support and personal care.

If a close personal relationship exists but the other requirements for interdependency aren't satisfied because either or both of them suffer from a physical, intellectual or psychiatric disability, then there is also an interdependency relationship.

INVESTMENT RISKS

ADDITIONAL INFORMATION ABOUT RISKS

INVESTMENT STRATEGY RISKS

DERIVATIVES RISK

A derivative is a financial instrument that derives its value from the price of a physical security or market index.

Derivative values can fluctuate significantly and in certain circumstances a derivative can be more volatile than the underlying asset or index. The value of a derivative contract may fall as a result of an adverse movement in the underlying asset or index. Losses can be magnified where a greater exposure is created through the derivative position than is backed by the assets of a fund. Derivatives may also be subject to liquidity risk and/or counter-party risk. Depending on market conditions derivative positions can be costly or difficult to reverse.

A counterparty may also be required to take collateral from a fund's assets to support a derivatives contract. Therefore, there is a risk that if the counterparty becomes insolvent, the fund's assets may not be returned in full.

See 'Use of derivatives' on page 13 for further information about how derivatives may be used in the investment options and by the specialist investment managers in the management of their underlying funds.

LIQUIDITY RISK

In the absence of an established market or shortage of buyers for certain investments, such as unlisted property funds, mortgages, some alternative assets and fixed income, an investment option may not be liquid from time to time. This means there is a risk you will have difficulty withdrawing your investment. While we generally strive to make proceeds from your withdrawal request available within three business days from when we have processed the request, in certain circumstances we may not be able to meet your withdrawal request when received (see 'Withdrawals' on page 23 and 'Suspension of applications, switches and withdrawals' on page 24 for further details).

GEARING RISK

The Fund can't use gearing as an investment strategy, but some of the underlying funds that the investment options invest in may gear.

With gearing, money is borrowed to increase the amount that can be invested. While this can result in larger investment gains in a rising market, it can also magnify losses in a falling market.

Gearing increases the volatility of a fund's investment returns. Consequently, a geared fund is considered to have a higher investment risk than a comparable fund that is ungeared.

The returns of a geared fund depend on the types of investments in it as well as the level of gearing and the costs of borrowing, including interest rates. The cost of borrowing will reduce the returns of a geared fund.

The greater the level of gearing in a geared fund, the greater the potential for loss of capital. As the following example shows, a 10% fall in the market value of assets in an ungeared fund could translate into a 20% fall in the value of the same portfolio in a geared fund with a gearing level of 50% (excluding any borrowing costs).

EXAMPLE

YOUR INVESTMENT AMOUNT	\$1,000	\$1,000
Fund gearing level	nil	50%
Amount borrowed by fund	n/a	\$1,000
Amount invested in the market	\$1,000	\$2,000
IF THE VALUE OF THE FUND'S ASSETS FALLS BY 10%:		
Fall in value of fund's assets	\$100	\$200
Value of fund's assets after fall	\$900	\$1,800
Outstanding loan	n/a	\$1,000
Value of your investment	\$900	\$800
Loss of investment capital	\$100	\$200
Effective rate of loss	10%	20%

Consequently, the greater the level of gearing in a geared fund, the less the fall in asset value needs to be for a total loss of your investment capital.

The gearing level for a geared fund may change regularly due to factors such as market movements, applications, withdrawals or changes to the amount borrowed. In certain circumstances, it may be necessary to suspend withdrawals to manage the fund's gearing position within its approved limits and protect the interests of all investors in the fund.

The lender may have the right to reduce the gearing level set for the geared fund or terminate the lending facility. This means that a geared fund may need to promptly reduce the gearing level by selling assets, which may force the sale of assets at unfavourable prices. To control this risk, the investment manager may establish alternate sources of funding to limit the exposure to any one lender.

SHORT-POSITION RISK

Short-position risk is a factor in the multi-asset class investment options that have exposure to alternative assets.

Where permitted, a short position can be created when a fund sells a borrowed security before buying it back from the open market to return to the securities lender. As the following example shows, if the market price of the security:

- falls in value, the fund makes a profit because it buys it back for less than it was sold
- rises in value, the fund will incur a loss when buying it back for more than it was sold.

EXAMPLE

NUMBER OF SECURITIES BORROWED	1,000	1,000
Market price when borrowed securities are sold	\$10	\$10
Proceeds from sale of borrowed securities	\$10,000	\$10,000
Market price when securities are repurchased to return to lender	\$8	\$12
Cost to repurchase securities	\$8,000	\$12,000
Profit/(loss) from short position (before any borrowing costs)	\$2,000	(\$2,000)

Establishing a short position in a security involves a higher level of risk than investing in a security. This is because when you invest in a security, the maximum loss is generally limited to the amount invested. With short positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises.

A further risk is that the securities lender may recall a borrowed security, so the fund will have to find another securities lender willing to lend the security, or may have to buy the security quickly at an unfavourable price.

PRIME BROKER RISK

When an underlying fund borrows securities or cash, a prime broker may be engaged to provide financing for gearing and/or stock for the borrowing and lending of securities. Any assets taken by the prime broker as collateral from the underlying fund may potentially be used by the prime broker for its own purposes (including lending those assets to third parties) for the period that the underlying fund retains the relevant liability. Therefore, there is a risk that if the prime broker becomes insolvent whilst the underlying fund remains indebted to the prime broker, the investment assets of the underlying fund may not be returned in full.

PORTFOLIO CONCENTRATION RISK

Investing in an investment option with a smaller number of investments may lead to more volatile returns than investing in a fund with a more diversified portfolio.

OTHER GENERAL RISKS

The following risks are inherent within any of the investment options:

- the investment professionals employed by the appointed specialist investment managers or PIML may change, which may affect the future performance of an investment option
- transactions may be suspended, which may result in delays in paying withdrawal requests (see 'Suspension of applications, switches and withdrawals' on page 24 for further information)
- an investment option may be terminated.

MANAGING THE RISKS

USE OF DERIVATIVES

Please refer to 'Use of derivatives' on page 13 for details about how derivatives may be used for managing risks.

HOW WE MANAGE RISK

We can't eliminate investment risks, however the Trustee has considered the processes put in place and is satisfied that PIML (as the responsible entity of the underlying funds) and the specialist investment managers (including PIML) manage the impact of these risks by following consistent and carefully considered investment guidelines.

Importantly, we aim to reduce the risk of investment returns by diversifying the investments of the investment options by:

DIVERSIFYING ACROSS	HOW/WHY
Several specialist investment managers	Investment managers have different investment styles which may lead to variations in returns in various market conditions. Diversifying across investment managers can reduce the reliance on one style.
Markets and regions	Spreading the investments of various asset classes across companies, countries, industries and currencies can minimise the impact of a regional crash, or a downturn in a particular industry.
Different asset classes	Each asset class has its own volatility and return characteristics. For the multi-asset class investment options we add an additional diversification layer by spreading their investments across the different major traditional asset classes like Australian and international shares, real estate, fixed income, cash and enhanced cash, as well as alternative assets, to assist in minimising the performance risk presented by cycles in asset class returns.

GEARING POLICY

ALL INVESTMENT OPTIONS

All of the underlying funds may borrow from time to time to buy new assets or meet commitments rather than having to hold significant amounts of cash. Except for the geared investment options (see below), gearing, if required, would generally be moderate.

However, investments within the underlying funds in unlisted property trusts and alternative assets where strategic gearing typically occurs can result in significantly higher gearing levels for that portion of the underlying funds' investments.

GEARED INVESTMENT OPTIONS

The Geared High Growth and Geared Australian Share investment options invest in Perpetual Select Geared High Growth Fund and Perpetual Select Geared Australian Share Fund respectively. Each of these underlying funds is a registered managed investment scheme where PIML is the responsible entity. The underlying funds borrow to gear their investment exposure. The borrowings of the underlying funds are secured against their assets. The income of the underlying funds, which includes dividends and interest from the underlying investments, is used to service their interest cost of borrowings and the gearing levels are managed accordingly.

The responsible entity's aim is to ensure that the interest costs of borrowings are adequately covered by the underlying funds' income. The gearing level in the underlying funds will therefore depend on the present levels and future expectations of their income (excluding franking credits) and the expected interest cost on borrowings. For example, if an underlying fund's income is approximately 3% per annum and the interest rate on its borrowings is approximately 6% per annum, the underlying fund could gear up to 50%. If the responsible entity believes that the expected income of the underlying fund will not be adequate to meet the interest costs of borrowing, it will decrease the gearing level, for example, by selling the underlying fund's assets and repaying part of the borrowing.

Note that the gearing level in an underlying fund may also be reduced to comply with any limits imposed by lenders (see 'Gearing risk' on page 8).

LIMIT FOR THE GEARED AUSTRALIAN SHARE INVESTMENT OPTION

Due to the combination of higher risk and lower asset diversity, the Geared Australian Share investment option has a maximum allocation limit and compulsory rebalancing.

MAXIMUM ALLOCATION LIMIT

No more than 50% of any investment into the Super Plan can be allocated to the Geared Australian Share investment option.

COMPULSORY REBALANCING

If you hold an investment in the Geared Australian Share investment option, we will rebalance your investment portfolio to your investment strategy (see 'Investment strategy' on page 21 for further information) at the frequency shown in the following table.

AUTO-REBALANCING FEATURE ¹ SELECTED?	AUTO-REBALANCING FREQUENCY ¹ NOMINATED?	COMPULSORY REBALANCING OCCURS
Yes ³	Yes	At the frequency you have nominated for auto-rebalancing ¹
Yes ³	No	Quarterly – the next unit pricing date on or after (as applicable) the 15th of February, May, August and November ²
No	N/A	Yearly – the next unit pricing date on or after (as applicable) the 15th of August ²

- 1 See 'Auto-rebalancing' on page 23 for details.
- 2 Or the next business day if this date is not a business day.
- 3 In the event that auto-rebalancing subsequently ceases, compulsory rebalancing will then occur yearly (as shown in the last row of the table) unless/until you recommence auto-rebalancing.

The buy/sell spread (see 'Buy/sell spread' in the 'Additional information about fees and costs' document for further information) will apply to these rebalancing transactions.

HOW YOU CAN MANAGE YOUR INVESTMENT RISK

The most significant risk in investing is that you don't reach your financial goals. It's important to consider your investment timeframe, your investment goals and your risk tolerance and we recommend you consult a financial adviser to assist you in determining these. This will help with your choice of investment and the level of diversification you need.

DIVERSIFICATION

Diversifying your investments can help reduce the volatility of investment returns.

You can achieve diversification across different asset classes easily in the Super Plan by choosing a pre-mixed multi-asset class investment option or mixing your own investment portfolio by combining single-asset class investment options (or a combination of these approaches).

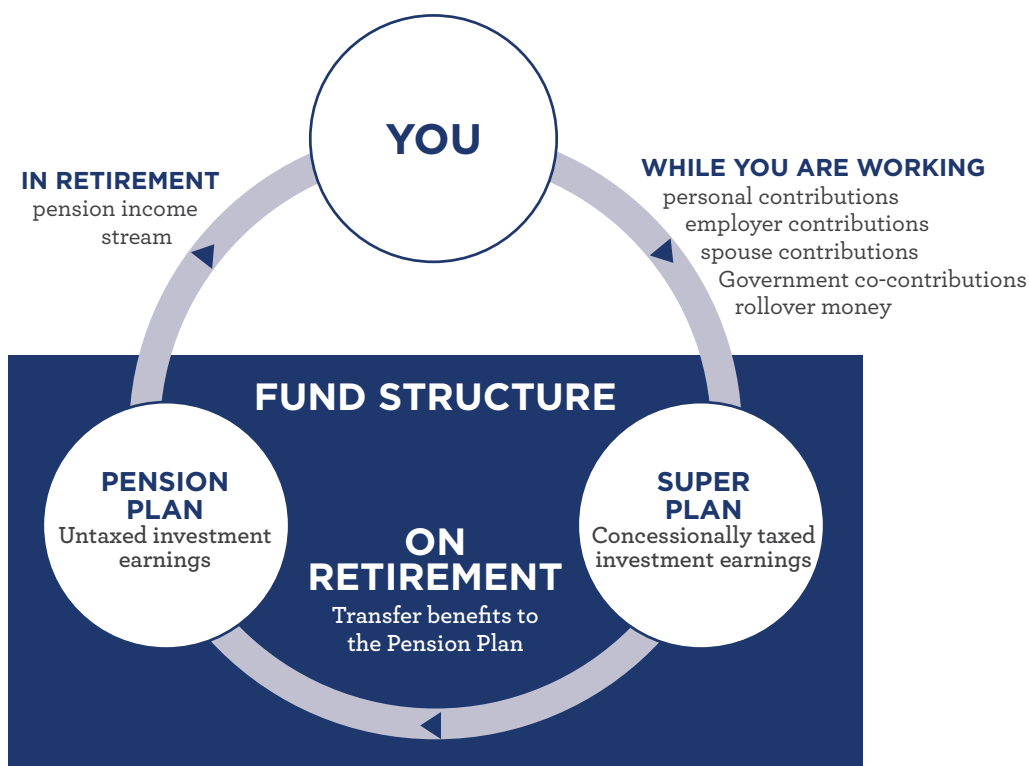
FLEXIBILITY TO CHANGE

After you have made your investment selection you still have the flexibility to change your mind. It's easy to restructure your investment at any time, giving you the ability to concentrate or diversify your portfolio as you require (see 'Switches' on page 23 for more details).

HOW WE INVEST YOUR MONEY

THE STRUCTURE OF THE FUND

Perpetual's Select Superannuation Fund (Fund) includes Perpetual Select Super Plan (Super Plan) and Perpetual Select Pension Plan (Pension Plan), which together aim to provide a complete, life-long solution to your superannuation accumulation and retirement income needs, as shown in the following diagram.



AN UNDERLYING MULTI-MANAGER INVESTMENT APPROACH

The Fund generally adopts a multi-manager approach to investing, where Perpetual chooses several specialist investment managers for most of the various asset classes to manage the underlying assets of the investment options. This multi-manager approach reduces the risk associated with using a single specialist investment manager, as an individual specialist investment manager's performance can change over time or with different market conditions.

Perpetual chooses specialist investment managers to combine their different styles, philosophies, approaches and techniques, with the aim of enhancing diversification within each asset class and producing more consistent returns.

Each specialist investment manager is subject to a rigorous selection process and regular monitoring. The selection and monitoring process is conducted by Perpetual's experienced investment team. External consultants contribute to certain aspects of the specialist investment manager screening or portfolio construction but any decisions about the appointment of specialist investment managers rests with Perpetual.

THE SPECIALIST INVESTMENT MANAGERS

The specialist investment managers are regularly reviewed and may be appointed or removed at any time without notifying you. As a result, the specialist investment managers may vary throughout the life of your investment. Details about the current specialist investment managers at any time are available at our website or can be obtained free of charge by contacting us.

THE MULTI-MANAGER INVESTMENT PROCESS

There are six main steps in the multi-manager investment process.



FUND INVESTMENTS

The main asset classes in which the investment options may invest are summarised in the following table.

THE MAIN ASSET CLASSES

ASSET CLASS	DESCRIPTION OF INVESTMENT
INCOME ASSETS	
Cash	Cash investments include discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans. Cash provides a relatively consistent rate of return in the form of regular interest payments, generally in line with short-term interest rates and is widely considered the lowest investment risk.
Enhanced cash	Enhanced cash investments include cash investments, fixed income instruments, hybrids, loans and other income generating securities. The maturity dates of investments are typically longer than cash and they may have a lower credit rating than those in a money market fund, however, they are usually managed to short interest rate exposures.
Fixed income	Fixed income instruments are securities issued by an issuer for a pre-determined period. The issuers may include governments, banks, corporations and asset backed trusts. The instruments when issued usually provide a return in the form of defined periodic income payments and the return of principal at maturity. These income payments are either fixed when issued or set periodically against a benchmark.
Diversified credit (including mortgages)	Credit may involve investing in income generating securities such as corporate debt, mortgages, infrastructure debt, private debt, asset-backed and debt-like hybrid securities, discount securities and sub-investment grade securities that have higher credit risk and less liquidity than cash and fixed income investments. A mortgage investment involves lending money to a borrower to buy property. The borrower must offer adequate collateral to secure the loan. The interest payments on the loan represent the return on the mortgage investment.

THE MAIN ASSET CLASSES (CONTINUED)

ASSET CLASS	DESCRIPTION OF INVESTMENT
INCOME ASSETS	
Real estate	A real estate (property) investment involves buying shares that represent a portion of ownership in a property related company, buying units in an unlisted property trust or buying property directly. Property investments can be in a range of sectors including commercial, industrial, residential and retail. Returns are usually generated from rental income and changes in the value of the underlying properties.
Shares	Shares represent a portion of ownership in a company. Shareholders can benefit if a company passes on some of its profits to them through dividends and/or from capital growth if the share price rises.
ALTERNATIVE ASSETS	
Income alternatives	<p>Specialist credit is an alternative strategy that has similar characteristics to fixed income. However, it may involve investing in sectors that have higher credit risk and forego some liquidity to target a higher return profile, such as high yield and convertible bonds.</p> <p>Absolute return funds – see description below.</p> <p>Absolute return funds are actively managed investments that aim to produce returns in both rising and falling markets by using a broad range of securities and investment techniques. These techniques may be different to methods used by traditional fund managers and may include:</p> <ul style="list-style-type: none"> • the use of derivatives (see ‘Derivatives risk’ on page 8 and ‘Use of derivatives’ on this page for further information) • hedging – where the manager uses two or more securities that are likely to move in opposition to each other, thereby attempting to mitigate risk • short selling (see ‘Short-position risk’ on page 8) • investments in exotic and/or low-liquid securities (see ‘Liquidity risk’ on page 8) • leverage – where the fund manager borrows or gears the fund’s assets (see ‘Gearing risk’ on page 8). <p>This means that absolute return funds won’t necessarily follow the movements in the indices for traditional assets, making them effective for diversification and for reducing portfolio risk when used in conjunction with traditional assets. Investors can receive returns in the form of capital growth (or loss) and income.</p> <p>Absolute return funds are utilised in the context of an alternative assets portfolio for their income and/or growth characteristics. The characteristics displayed by an absolute return fund within the portfolio depend on the role of the absolute return fund in the portfolio, its underlying assets and/or the investment techniques used by the investment manager. Depending on its characteristics, an absolute return fund can be more volatile than other types of investment strategies, however multiple absolute return funds can be configured to help manage the overall risk and return in the portfolio.</p>
Growth alternatives	<p>Absolute return funds – see description above.</p> <p>Infrastructure involves investing by purchasing listed or unlisted equity or debt securities in companies and/or large projects that provide facilities and services needed by the community (eg transport, power, roads, telecommunications or water supply), or in other capital intensive assets (eg timberland and regional infrastructure). The return on an infrastructure equity investment generally includes capital growth (or loss) and income. Alternatively, infrastructure debt securities pay regular interest similar to that of other fixed income investments.</p> <p>Private equity comprises investments in unlisted companies that offer the prospect for a major escalation in economic value through a range of strategies including product development, market expansion, mergers and acquisitions, corporate and balance sheet restructuring. They are generally long-term investments that aren’t liquid, and usually generate their returns through an initial public offering, a sale or merger, or a recapitalisation.</p> <p>Private real estate is the real estate equivalent of unlisted private equity. It seeks high returns by investing in property projects with a large potential escalation in economic value, mainly via major redevelopment or repositioning of the asset.</p>

USE OF DERIVATIVES

Derivatives may be used in the investment options and by the specialist investment managers in the management of their underlying funds for a range of investment activities including, but not limited to, the following purposes:

- managing investment risk and volatility of a stock, security or market
- managing actual and anticipated interest rate risk and credit exposure
- managing currency risk and adjusting currency exposure

- achieving asset exposures without buying or selling the underlying securities
- creating short exposure to a stock, security or market where permitted
- generating additional income
- adding to the gearing levels of relevant underlying funds’ portfolios
- managing strategic and tactical asset allocation strategies
- taking advantage of price differences (known as arbitrage).

INVESTMENT OPTION PROFILES

MULTI-ASSET CLASS INVESTMENT OPTIONS

Investment option name	CONSERVATIVE ¹	DIVERSIFIED	BALANCED																																																
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.																																																
Risk level²	4 – Medium	5 – Medium to high	5 – Medium to high																																																
Minimum suggested timeframe	Three years or more	Five years or more	Five years or more																																																
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash and enhanced cash investments outperform the CPI by 1.5% (before fees and after tax) over rolling three-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio of assets outperform the CPI by 2.0% (before fees and after tax) over rolling four-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with an emphasis on Australian and international share investments outperform the CPI by 2.5% (before fees and after tax) over rolling five-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 																																																
Investment approach	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>																																																
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MULTI-ASSET CLASS INVESTMENT OPTIONS

Investment option name	GROWTH	HIGH GROWTH	GEARED HIGH GROWTH																																						
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.																																						
Risk level²	6 – High	6 – High	6 – High																																						
Minimum suggested timeframe	Five years or more	Five years or more	Seven years or more																																						
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international share investments outperform the CPI by 3.0% (before fees and after tax) over rolling five-to-ten-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments outperform the CPI by 3.5% (before fees and after tax) over rolling ten-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 																																						
Investment approach	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p> <p>See 'Gearing policy' on page 9 for details on how the underlying geared fund's gearing is managed.</p>																																						
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SINGLE-ASSET CLASS INVESTMENT OPTIONS

Investment option name	CASH	FIXED INCOME	REAL ESTATE
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.
Risk level²	1 – Very low	3 – Low to medium	7 – Very high
Minimum suggested timeframe	Two years or less	Two years or more	Five years or more
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with capital stability through investments in deposits, money market and fixed income securities match the performance of the Bloomberg AusBond Bank Bill Index (before fees and after tax) over rolling one-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with income and capital stability through investment in a diversified portfolio of fixed income and diversified credit investments (including mortgages) outperform (before fees and after tax), over rolling three-year periods, a composite benchmark⁹ reflecting the underlying fund’s target allocation at any time to the various asset types. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with income and long-term growth through investment in a diversified portfolio of Australian and international real estate investment trusts and unlisted property trusts⁷ outperform (before fees and after tax), over rolling three-year periods, a composite benchmark¹⁰ reflecting the underlying fund’s target allocation at any time to the various asset types.
Investment approach	Perpetual combines investment moneys and invests them in the money markets.	<p>The investment option combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the investment option by avoiding over exposure to a particular specialist investment manager.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	<p>The investment option combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the investment option by avoiding over exposure to a particular specialist investment manager.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>
Investment guidelines	Cash 100%	Australian fixed income 0-100% Diversified credit (including mortgages) 0-100% International fixed income 0-100% Cash ⁴ 0-20%	Australian real estate 0-100% International real estate 0-100% Cash ⁴ 0-20%

SINGLE-ASSET CLASS INVESTMENT OPTIONS

Investment option name	AUSTRALIAN SHARE	GEARED AUSTRALIAN SHARE	LIMITED SHARE
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.
Risk level²	6 – High	7 – Very high	6 – High
Minimum suggested timeframe	Five years or more	Seven years or more	Five years or more
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth and income through investment in a diversified portfolio of Australian shares¹¹ outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods. 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio of Australian shares¹¹ outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods 	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth and income through investment in quality industrial and resource shares and other securities outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods.
Investment approach	<p>The investment option combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the investment option by avoiding over exposure to a particular specialist investment manager.</p> <p>Derivatives may be used in managing the investment option.</p>	<p>The investment option combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the investment option by avoiding over exposure to a particular specialist investment manager.</p> <p>Derivatives may be used in managing the investment option.</p> <p>See ‘Gearing policy’ on page 9 for details on how the underlying geared fund’s gearing is managed.</p>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Their priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria:</p> <ul style="list-style-type: none"> conservative debt levels sound management quality business and recurring earnings. <p>The investment portfolio will typically consist of between 20 and 45 stocks.</p> <p>Derivatives may be used in managing the investment option.</p>
Investment guidelines	<p>Australian shares¹¹ 80-100%</p> <p>Cash⁴ 0-20%</p>	<p>Australian shares¹¹ 80-100%</p> <p>Cash⁴ 0-20%</p> <p>Gearing level⁸ 0-60%</p>	<p>Australian shares¹² 90-100%</p> <p>Cash⁴ 0-10%</p>

SINGLE-ASSET CLASS INVESTMENT OPTIONS

Investment option name	INTERNATIONAL SHARE
Suitability	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.
Risk level²	6 – High
Minimum suggested timeframe	Five years or more
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> • provide members with long-term growth through investment in a diversified portfolio of international shares¹³ • outperform the MSCI All Country World Index – Net Return (unhedged in AUD) (before fees and after tax) over rolling three-year periods.
Investment approach	<p>The investment option combines specialist investment managers with different investment styles and philosophies. This can help reduce the volatility of the investment option by avoiding over exposure to a particular specialist investment manager.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>
Investment guidelines	<p>International shares¹³ 80-100%</p> <p>Cash⁴ 0-20%</p>

FOOTNOTES TO INVESTMENT OPTION PROFILES

- 1 Irrespective of the underlying fund name, which is reflected in the investment option name, the Trustee advises that this investment option has a Standard Risk Measure risk band rating of 4 (refer footnote 2 below). It has been estimated that this investment option may have 2 to less than 3 negative annual returns over any 20-year period.
- 2 The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

The SRMs for the investment options may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations. Any changes to SRMs at any time will be available at our website.

- 3 The composite benchmarks comprise, as applicable to the various asset types in the underlying funds:
- cash and enhanced cash – Bloomberg AusBond Bank Bill Index
 - fixed income – 50% Bloomberg AusBond Composite 0+ Yr Index and 50% Bloomberg Barclays Global Aggregate Index (hedged in AUD)
 - diversified credit – Bloomberg AusBond Bank Bill Index
 - income alternatives – Bloomberg AusBond Bank Bill Index plus 2%
 - real estate – 50% S&P/ASX 300 A-REIT Accumulation Index and 50% FTSE EPRA/NAREIT Developed Index – Net Return (unhedged in AUD)
 - Australian shares – S&P/ASX 300 Accumulation Index
 - international shares – MSCI All Country World Index – Net Return (unhedged in AUD)
 - growth alternatives – Bloomberg AusBond Bank Bill Index plus 5%.
- 4 Cash may also be held for liquidity in the underlying funds, so the overall cash allocation may be greater than that stated.
- 5 Fixed income includes Australian fixed income, diversified credit and international fixed income – refer to the ‘Investment guidelines’ for the ‘Fixed Income’ investment option on page 16 for further details.
- 6 Real estate includes both Australian and international assets – refer to the ‘Investment guidelines’ for the ‘Real Estate’ investment option on page 16 for further details.

- 7 Also permitted to be included are company shares, unit trusts and other securities that are expected to have a return related to property investments or management as their dominant underlying assets.
- 8 The gearing level is the underlying fund’s borrowings divided by the total gross value of its assets. It will depend on the present levels and future expectation of the underlying geared fund’s income (excluding franking credits) and its cost on borrowings. The maximum gearing limit may be exceeded for short periods of time due to withdrawals or extreme market volatility. Please refer to ‘Suspension of applications, switches and withdrawals’ on page 24 for further information.
- 9 The composite benchmark comprises:
- Australian fixed income – Bloomberg AusBond Composite 0+ Yr Index
 - diversified credit – Bloomberg AusBond Bank Bill Index
 - international fixed income – Bloomberg Barclays Global Aggregate Index (hedged in AUD).
- 10 The composite benchmark comprises:
- Australian real estate – S&P/ASX 300 A-REIT Accumulation Index
 - international real estate – FTSE EPRA/NAREIT Developed Index – Net Return (unhedged in AUD).
- 11 Securities listed on overseas exchanges may be purchased subject to limits agreed by the Trustee.
- 12 The underlying fund’s investment universe allows it to invest, directly or indirectly, in stocks listed or to be listed on sharemarket exchanges outside Australia. Exposure to stocks outside Australia is limited to 20%.
- 13 Securities listed on the Australian Securities Exchange may be purchased subject to limits agreed by the Trustee.

FEATURES AND BENEFITS OF THE SUPER PLAN

FEATURE/ TRANSACTION	SUMMARY INFORMATION	FURTHER INFORMATION
Initial investment	<p>\$3,000 minimum initial investment in the Super Plan (or \$1,500 if you are establishing a savings plan – see below). There is no minimum initial investment amount for any investment option.</p> <p>After reading the PDS, complete the relevant application form and send it to us.</p> <ul style="list-style-type: none"> • Personal or spouse contributions by cheque – attach a cheque payable to ‘PIML – Select Super – [insert name of applicant]’ to your application form. • Personal or spouse contributions by direct debit – we’ll debit your initial contribution amount directly from your nominated account once we’ve accepted your application. • Employer contributions – all employer contributions (including any salary sacrifice contributions) must be paid by your employer using SuperStream. 	page 21
Investment strategy	<p>Unless you specify otherwise on your application form, the proportion of your initial investment allocated to each investment option is recorded by us as your investment strategy for additional investments and auto-rebalancing (see below).</p> <p>You can change your investment strategy at any time. The Geared Australian Share investment option has a maximum allocation limit of 50%.</p>	page 21
BPAY	<p>You can use BPAY for making additional personal or spouse contributions (see ‘Additional investments’ below). We’ll provide you with a Customer Reference Number (CRN).</p>	page 22
Additional investments	<p>There is no minimum additional investment in the Super Plan or any investment option.</p> <ul style="list-style-type: none"> • Personal or spouse contributions by direct debit – complete an ‘Application for additional investments and features’ form (available from our website or by contacting us) and send it to us and we’ll debit your additional contribution amount directly from your nominated account once we’ve accepted your application. • Personal or spouse contributions via BPAY – remit your additional contribution amount to us, quoting your CRN and the BPAY biller code for the relevant type of contribution. • Employer contributions – all employer contributions (including any salary sacrifice contributions) must be paid by your employer using SuperStream. 	page 22
Savings plan	<p>There is no minimum savings plan investment in the Super Plan or any investment option.</p> <p>If you wish to make regular contributions by direct debit from your nominated account, complete section 8 of the ‘Super Plan application’ form.</p>	page 22
Switching	<p>There is no minimum amount for switches between investment options.</p> <p>To switch all or part of your investment in an investment option, submit a switch request through Online Account Access (see page 24) or send us a completed ‘Switch request’ form (available from our website or by contacting us) by mail or scanned attachment to email.</p>	page 23
Auto-rebalancing	<p>You can request us to regularly rebalance your investment portfolio to maintain your chosen investment strategy by completing section 7 of the ‘Super Plan application’ form.</p> <p>If you are investing in the Geared Australian Share investment option you must select this feature (see ‘Limit for the Geared Australian Share investment option’ on page 10 for more information).</p>	page 23
Insurance cover	<p>You can apply for the following types of insurance cover through the Super Plan by completing the ‘Insurance cover’ section within the ‘Super Plan application’ form and, if required, the separate ‘Insurance application’ form:</p> <ul style="list-style-type: none"> • death only or • total and permanent disablement (TPD) only or • death and TPD and • salary continuance. 	Please refer to the separate ‘Insurance in your super’ document.

FEATURE/ TRANSACTION	SUMMARY INFORMATION	FURTHER INFORMATION
Withdrawals	There is no minimum amount for withdrawals from the Super Plan. If you are eligible to access your superannuation and wish to make a withdrawal, send us a completed 'Benefit payment instruction' form (available from our website or by contacting us), together with evidence of the 'condition of release' that you've satisfied.	page 23
New instructions or changes	Please contact us to advise of any changes to your name, address/contact details, bank account and other details/instructions. You can also send us a completed 'Change of instructions' form (available from our website or by contacting us). Any acceptable changes by phone can only be made after we've confirmed your identity. All changes to bank account details must be made in writing by mail. When requesting any new features or changes/cancellations involving transactions (eg investment strategy, savings plan and auto-rebalancing), we must receive your instructions at least five business days before a transaction date for it to apply to the next transaction.	page 24
Authorised representative	You can appoint an authorised representative to act on your behalf in relation to your investment in the Super Plan by completing the 'Authorised representative' section in your 'Super Plan application' form.	page 24
Online Account Access	Online Account Access allows you to view information about your investment and switch between investment options online. You should specify the level of access you want in section 7 of your 'Super Plan application' form.	page 24
Updated information	Go to our website or contact us for the latest information on unit prices, buy/sell spreads and investment returns and any other updated information in relation to the Super Plan. Other general information is also provided in the Fund's annual report, which is also available at our website.	Back cover

INVESTMENTS

Provided you are eligible to invest in the Super Plan (see 'Eligibility to invest' on page 2 and 'Contribution limits' on page 3), you can invest in a single investment option or multiple investment options depending on your investment goals.

INITIAL INVESTMENT

The minimum initial investment in the Super Plan is \$3,000 (or \$1,500 if you are establishing a savings plan – see page 22). Your initial personal or spouse contribution may be paid:

- by cheque
- by direct debit (see below).

You should indicate on your application form the amount or proportion of your investment in each investment option.

INVESTMENT STRATEGY

The proportion of your initial investment allocated to each investment option is recorded as your default investment strategy for:

- all additional investments made via BPAY (see page 22 for further information)
- any other additional investments unless you nominate a different investment option(s)
- compulsory rebalancing (see page 10 for further information)
- auto-rebalancing (see page 23 for further information).

You need to specify on the application form if you want your investment strategy to differ from your initial investment. If you switch (fully or partially) or fully withdraw from an investment option, your investment strategy will be updated automatically to reflect your investment portfolio following the switch/withdrawal unless you request otherwise at the time. Any other transactions will not result in changes to your investment strategy unless you also request a change to it at the time. You can change your investment strategy at any time by notifying us in writing.

DIRECT DEBIT

You can authorise us on your initial or additional application form to debit personal or spouse contribution amounts directly from your nominated Australian bank, building society or credit union account.

We will initiate direct debit drawings automatically upon acceptance of your instruction and we will not advise you beforehand. To avoid potential dishonours by your financial institution and any associated charges, it is your responsibility to ensure that:

- direct debit is available from any account you nominate
- your nominated account has a sufficient balance available to meet any authorised direct debits.

DIRECT DEBIT REQUEST SERVICE AGREEMENT

If you elect to make investments (including savings plan – see 'Savings plan' on page 22) by direct debit authority, you must read and accept the terms of our Direct Debit Request Service Agreement, which is publicly available at our website or can be obtained free of charge by contacting us.

ADDITIONAL INVESTMENTS

Subject to eligibility (see 'Eligibility to invest' on page 2), additional investments can be made at any time.

There is no minimum amount for additional investments. Additional personal or spouse contributions may be paid:

- by direct debit (with an application form) or
- via BPAY.

BPAY

BPAY is a convenient way for you to make additional personal or spouse contributions to the Fund from your cheque or savings account using the phone or online banking facilities provided by most Australian banks, building societies and credit unions.

Unless you indicate otherwise on your application form, we'll send you a Customer Reference Number (CRN). You can also apply for a CRN at any other time by contacting us.

When using BPAY, you'll need to quote your **CRN** and the **BPAY biller code** for the relevant type of contribution (so that it's processed and, where applicable, taxed accordingly), as shown in the following table.

TYPE OF CONTRIBUTION	BPAY BILLER CODE
Member (personal) contribution	989475
Spouse contribution	514281

SAVINGS PLAN

With a savings plan, you can make regular personal or spouse contributions to the Fund automatically by direct debit from your nominated Australian bank, building society or credit union account.

There is no minimum amount for savings plan investments, which can be made monthly (default frequency) or quarterly.

The savings plan amount will be deducted from your nominated account on the 10th or 20th day of the relevant months, or the following business day if the applicable date isn't a business day.

For both monthly and quarterly savings plan contributions, if your direct debit request is received before the 5th or 15th day of the month for savings plan contributions requested for the 10th or 20th respectively, your first debit will occur in that month. If your direct debit request is received on or after the applicable date, your first debit will occur in the following month.

Please contact us if you wish to change the investment amount or frequency, or cancel your savings plan.

The following table shows the impact on your savings plan of any withdrawals or switches from the investment options unless you provide alternative instructions at the time of withdrawing or switching.

IMPACT OF WITHDRAWALS AND SWITCHES ON EXISTING SAVINGS PLANS

TYPE OF TRANSACTION	IMPACT ON FUTURE SAVINGS PLAN
Full withdrawal from all savings plan investment option(s)	We'll cancel your savings plan.
Full withdrawal from some savings plan investment option(s)	We'll continue your savings plan for the same dollar amount invested into the remaining investment option(s) in proportion to your previous savings plan allocations to the remaining investment option(s).
Full switch from all savings plan investment option(s)	We'll transfer your savings plan to the investment option(s) that you switched to in the same proportion as the switch.
Full switch from some savings plan investment option(s)	We'll continue your savings plan for the same dollar amount. The allocation of your savings plan that was previously invested into the investment option(s) that you have switched from will be invested into the existing and/or new investment option(s) that you switched to in the same proportion as the switch.
Partial withdrawal or switch from all or some savings plan investment option(s)	No change to your savings plan.

We can terminate, suspend or impose additional conditions on the operation of your savings plan at any time with notice to you.

HOW UNITS ARE ISSUED

When you invest in the Super Plan, you will be allocated units in the relevant investment option(s) you choose. The value of your Super Plan account will vary as the daily unit prices of the investment options change to reflect increases or decreases in the market value of the underlying assets.

Generally, if our Sydney office receives and accepts your investment application electronically or otherwise (including investment amounts received via BPAY, where applicable) by 3.00pm on any business day, your investment will be processed using that day's entry price. If received and accepted after 3.00pm it will be processed using the next calculated entry price. If it's a non-working day for Perpetual in Sydney, your investment will be processed using the next available entry price.

For current entry prices, visit our website or contact us.

The number of units issued to you is determined by dividing your investment amount (less fees and taxes) by the applicable entry price. See 'How units are priced and investments are valued' on page 25 for details about asset valuations and unit prices.

Accepting your application includes verifying your identity (see 'Anti-money laundering/counter-terrorism financing laws' on page 25 for more information).

We have the discretion:

- not to accept applications and can delay processing them if we believe that's in the best interests of members or if required by the law (see 'Suspension of applications, switches and withdrawals' on page 24 for further information)
- to accept transactions in our Sydney office up to 5.00pm on 30 June only (or the preceding business day should 30 June fall on a weekend).

SWITCHES

You can switch all or part of your investment in an investment option into another investment option(s) at any time.

Generally, if our Sydney office receives and accepts your switch request (including those made via Online Account Access) by 3.00pm on any business day, your switch will be processed using that day's exit and entry prices. If received and accepted after 3.00pm it will be processed using the next calculated exit and entry prices. If it's a non-working day for Perpetual in Sydney, your switch will be processed using the next available unit prices.

For current entry and exit prices, visit our website or contact us.

We have the right to delay processing of switches where we believe that's in the best interests of members, as well as impose additional conditions (see 'Suspension of applications, switches and withdrawals' on page 24 for further information).

All switches involve a withdrawal of money from one investment option at its exit price and an investment in another investment option at its entry price. Consequently, there may be a cost to members due to the buy/sell spreads on unit prices (see 'Transaction costs' in the 'Additional information about fees and costs' document for further information).

AUTO-REBALANCING

The value of your investment in any particular investment option will change over time and this movement may cause your investment portfolio allocation to deviate from your investment strategy.

Auto-rebalancing is a form of automatic switching. This feature provides a simple way for you to maintain your investment strategy by authorising us to withdraw and apply units in your chosen investment options to rebalance your investment portfolio regularly, as follows:

- quarterly (default frequency) – the next unit pricing date on or after (as applicable) the 15th of February, May, August and November
- half yearly – the next unit pricing date on or after (as applicable) the 15th of February and August or
- yearly – the next unit pricing date on or after (as applicable) the 15th of August.

If any of these days aren't business days, the next business day will apply.

Please contact us if you wish to change the frequency, cancel or restart auto-rebalancing.

The buy/sell spread (see 'Buy/sell spread' in the 'Additional information about fees and costs' document for further information) will apply to auto-rebalancing transactions.

Please note that auto-rebalancing will automatically cease if you withdraw or switch your entire balance from an investment option. In this case, you will need to provide new investment strategy details if you want auto-rebalancing to recommence.

WITHDRAWALS

Provided you have satisfied a 'condition of release' under the law (see 'Accessing your superannuation benefit' on page 5 for details), you can withdraw all or part of your investment in the Fund.

All written withdrawal requests must be signed by you or your authorised signatory.

If our Sydney office receives and accepts your withdrawal request by 3.00pm on any business day, your withdrawal will be processed using that day's exit price. If received and accepted after 3.00pm it will be processed using the next calculated exit price. If it's a non-working day for Perpetual in Sydney, your withdrawal will be processed using the next available exit price.

For current exit prices, visit our website or contact us.

Generally your withdrawal proceeds can be:

- deposited into a nominated Australian bank, building society or credit union account or
- rolled over to another complying superannuation or pension fund.

For your protection, withdrawals will not be paid in cash. We will confirm all withdrawals in writing.

The proceeds from your withdrawal will usually be available within three business days from when we have processed the request, given normal operating conditions, including the availability of the applicable unit price (see also 'Delays in calculating and publishing unit prices' on page 25 for more information).

Withdrawal proceeds that are paid directly into your nominated account are subject to clearance by your bank, building society or credit union from the date of deposit into your account.

We can delay processing withdrawal requests in certain circumstances (see 'Suspension of applications, switches and withdrawals' on page 24 for more information).

EMAIL INSTRUCTIONS

We currently accept various instructions, including withdrawal requests, by scanned attachment to email provided we have no reason to believe the request isn't genuine. However, for your protection, we won't accept email requests in relation to withdrawals for deposits to accounts that have not been previously nominated by the member by mail.

Conditions apply to email withdrawal requests (see 'Other conditions' on page 24 for details).

SUSPENSION OF APPLICATIONS, SWITCHES AND WITHDRAWALS

In certain emergency situations which impact on the effective and efficient operation of a market for an asset held by an investment option or in circumstances where we otherwise consider it to be in the interests of members, we may choose to suspend the processing of all applications, switches or withdrawals for that investment option. This may include situations where:

- we cannot properly ascertain the value of an asset held by the investment option
- an event occurs that results in Perpetual not being able to reasonably acquire or dispose of assets held by the investment option
- an underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

For the Geared High Growth and Geared Australian Share investment options, this may include suspending withdrawals if the underlying fund's gearing level exceeds its maximum gearing limit by 10% due to withdrawals or substantial market movements. If a suspension occurs, the gearing level in the underlying fund will be promptly reduced to bring it within the maximum 50% or 60% respectively (see the 'Investment option profiles' on pages 15 and 17). The suspension will be lifted once the gearing level in the underlying fund has been reduced to the relevant level.

Applications, withdrawals or switch requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

INTEREST EARNED ON APPLICATION AND WITHDRAWAL ACCOUNTS

Application money and withdrawal proceeds are held in trust accounts prior to being processed. A member of the Perpetual Group retains any interest earned on these accounts.

INSTRUCTIONS AND CHANGES

Please contact us to advise of any changes to your name, address/contact details, bank account, etc and to provide other details/instructions.

All changes to bank account details must be made in writing by mail. Any acceptable changes by phone can only be made after we've confirmed your identity.

Conditions may apply depending on the way you provide instructions to us, as set out under 'Other conditions' on this page.

AUTHORISED REPRESENTATIVE

You can appoint a person, partnership or company as your authorised representative by nominating them on your application form and having them sign the relevant section. Your authorised representative will be empowered to act on your behalf in all matters relating to your investment in the Super Plan.

Conditions apply to the appointment of an authorised representative, as set out under 'Other conditions' on this page.

OTHER CONDITIONS

A member who appoints an authorised representative or uses the phone or email facilities (as applicable) to provide instructions to us:

- acknowledges that they are bound by the acts of their authorised representative
- releases, discharges and agrees to indemnify us and each other member of the Perpetual Group from and against all losses, liabilities, actions, proceedings, accounts, claims and demands arising from instructions we receive under the facility and
- agrees that a payment or purported payment made according to the conditions of the facility shall be in complete satisfaction of our obligations or those of any other member of the Perpetual Group to the investor for a payment, even if it was requested, made or received without the knowledge or authority of the member.

ONLINE ACCOUNT ACCESS

Online Account Access via our website provides easy and convenient online access for you to:

- check the total value of your investment in the Super Plan
- view your account summary, including the investment option(s) you are invested in, the number of units, unit price and current balance of the investment option(s)
- review your recent transaction history
- check your contact details
- restructure your investment by switching between investment options.

Transactions or changes you make to your account will generally become visible through Online Account Access on the business day following processing.

You can also elect to receive email notification of new account correspondence (including any notification we are required to provide under the Corporations Act) as it becomes available, so that you can then view it online (although there may be times when we must also send online correspondence to you in paper form). For security reasons, this email won't include any of your confidential information, nor will it provide a link to our website.

Unless you indicate otherwise on your application form, we'll mail you a Login ID and temporary password (separately for security reasons) together with activation instructions.

CONDITIONS OF USE

To be able to use Online Account Access, you must accept the conditions of use (which are publicly available at our website or can be obtained free of charge by contacting us) and change the temporary password to a password of your choice when you first login to Online Account Access.

ACCESS BY AUTHORISED REPRESENTATIVES

If you appoint an authorised representative, you can request us to issue them with a unique Login ID and temporary password for Online Account Access and specify their level of online access to either:

- view your account only or
- view and transact on your account (default access).

ACCESS BY YOUR ADVISER

We'll also give your adviser access to view details about your investment and transact online unless you ask us not to. You can cancel your adviser's access at any time by instructing us in writing.

HOW UNITS ARE PRICED AND INVESTMENTS ARE VALUED

Unit prices for each investment option are calculated by:

- establishing the net asset value of the investment option
- for entry unit prices – adding the applicable transaction costs (buy spread) to the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the entry unit price
- for exit unit prices – deducting the applicable transaction costs (sell spread) from the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the exit unit price.

We generally determine the net asset value of each investment option on each business day. The net asset value is calculated by deducting the value of an investment option's liabilities from the value of its gross assets.

Investments of each investment option are valued at their market value, using a valuation method that we determine according to the Fund's Trust Deed. It will normally be based on the exit price of units in the underlying fund(s). However, if necessary, we may use a different method of valuation.

DELAYS IN CALCULATING AND PUBLISHING UNIT PRICES

Occasionally there may be delays in receiving unit prices or investment valuations from the underlying specialist investment managers due to their finalisation of distributions or unforeseen circumstances. This restricts our ability to calculate and price the relevant investment option. Importantly, the timing of unit prices impacts processing transactions including applications, withdrawals and switches. When transactions are processed we'll generally use the applicable unit price you are entitled to, based on the date we received your completed transaction instruction.

ANTI-MONEY LAUNDERING/ COUNTER-TERRORISM FINANCING LAWS

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

Under the AML Act, we are required to:

- verify your identity before providing services to you
- collect information about your circumstances, including your occupation and the source of funds
- where you supply documentation relating to your identity, keep a record of this documentation for seven years after the end of your relationship with Perpetual.

As a result:

- transactions may be delayed or refused where we require further information regarding your identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country
- where transactions are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result of our compliance with the AML Act.

Where required by law, we may disclose your information to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC), which is responsible for regulating the AML Act.

We are not liable for any loss you may suffer as a result of our compliance with this legislation.

Customer identification requirements are collected in the 'Super Plan application' form. We may also require additional information from you to assess your application and after we have accepted your investment.

YOUR PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- the types of entities we usually disclose personal information to and the countries where they are likely to be located if it is practicable for us to specify those countries
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint.

Our privacy policy is publicly available at our website or you can obtain a copy free of charge by contacting us.

PERSONAL HEALTH INFORMATION

If you apply for insurance cover, you will be required to provide personal health information. If you do not provide us with your relevant personal health information, it will not be possible to assess your insurance application.

We require your consent to collect, use or disclose your health and other personal information included in the Personal Statement. The health and other personal information is collected and provided to the insurer to assess your eligibility for insurance and to administer your application.

Should you make a claim for an insurance benefit, your health and other personal information may be disclosed to the insurer, medical practitioners, claims investigators, reinsurers, the insurance reference bureau and such other experts as may be nominated by us or the insurer.

If there is any dispute about your entitlement to a disability benefit or any insurance related claim, your health and other personal information may be disclosed to legal and other advisers.

REPORTING

Members of the Fund receive:

- membership confirmation upon acceptance of your application
- an investment statement for individual members, generally within seven business days of your initial investment being accepted and processed
- an additional investment statement, generally within seven business days of any additional investment (except regular savings plan and employer contributions) being accepted and processed
- an investment restructure statement, generally within seven business days of any switch request being processed
- a withdrawal statement, generally within seven business days of any partial or full withdrawal request being processed (except where a departed temporary resident's super benefit has been compulsorily paid to the ATO as unclaimed super – see 'Unclaimed benefits' on page 7 for further details)
- an annual statement providing details of your investment in the Super Plan as at 30 June each year
- a Fund annual report for each financial year ending 30 June will be available at our website (copy by mail available on request)
- an annual notice under section 290-170 of the Income Tax Assessment Act for you to complete and return if you intend to claim a tax deduction for any personal contributions made to the Super Plan during the financial year
- confirmation of any other transactions that we are required to report on
- 'inactive account' notifications where we have not received a contribution for 9, 12 and 15 months if you have insurance cover.

TRUST DEED

The Trust Deed, dated 1 March 1989 (as amended from time to time) and the law govern the operation of the Fund and the rights and obligations of members and the Trustee.

The Trust Deed is available at our website or you can obtain a copy free of charge on request.

RELATIONSHIP BETWEEN THE TRUSTEE AND UNDERLYING INVESTMENT OPTIONS

The investment options in the Fund invest in underlying funds managed within the Perpetual Group. Under the law, where the Trustee invests money of the Fund in or with itself or a related entity, we must deal strictly on arm's length terms.

OUR LIABILITY

We are indemnified by the Fund for liability incurred in respect of the Fund unless the liability arises from dishonesty or an intentional failure to exercise the degree of care and diligence required of us or such other act or omission specified by the law.

YOUR RIGHTS AS A MEMBER

Each unit in an investment option confers a proportional beneficial interest in the relevant investment option. But you're not entitled to any particular part of the investment option (or the underlying funds in which it invests), its assets or its management or operation (other than through member meetings).

MEMBERS' LIABILITY

A member must indemnify the Trustee for any liability, overpayment or failure to provide for tax because of the Trustee's reliance on information given to it by that member (or information that should have been given to it by that member) under the Trust Deed or the law. Besides this, a member's liability is limited by the Trust Deed to the value of their interests or units, but the courts are yet to determine members' liability so absolute assurance can't be given that the liability of a member is limited in every situation.

TAX

The tax benefits derived from investing in superannuation are particular to your circumstances, so we recommend you see a tax adviser. This information is general only and shouldn't be relied on.

SUPER PLAN

CONCESSIONAL CONTRIBUTIONS

Concessional contributions are generally subject to tax at 15% within the Fund.

NON-CONCESSIONAL CONTRIBUTIONS

Non-concessional contributions (also known as 'after-tax contributions') are not taxable within the Fund.

TAX ON INVESTMENT EARNINGS

As the Super Plan is part of a complying superannuation fund, the maximum tax rate on its taxable income (including realised net capital gains) is 15%. However, the effective rate of income tax is generally less due to the impact of:

- concessional capital gains tax treatment for assets held for more than 12 months
- tax offsets (see below).

TAX OFFSETS

The Fund may be able to claim tax offsets, including franking credits and foreign income tax offset, to reduce the amount of tax payable by the Super Plan. Excess franking credits may be refundable to the Fund by the ATO.

MEMBERS

CONCESSIONAL CONTRIBUTIONS

TAX DEDUCTIONS

Employers can claim a full tax deduction for all contributions made on behalf of their employees.

Members can claim tax deductions for personal superannuation contributions up to the concessional contributions cap until age 75 (subject to meeting the work test if you are aged 65 or over).

ADDITIONAL CONTRIBUTIONS TAX

Generally, a flat 15% tax applies to concessional contributions. However, tax of 30% will apply instead to concessional contributions (within the concessional contributions cap) if your income (including concessional contributions) is greater than \$250,000. If your income excluding concessional contributions is less than the \$250,000 threshold, but including the concessional contributions pushes you over the threshold, only that part of the contributions in excess of the threshold will be subject to tax at 30%.

The ATO will issue an assessment to the member for the extra tax payable on the contributions. The member can elect to release the amount from their Super Plan account or pay the tax from other sources.

Concessional contributions that exceed your concessional contribution cap (see 'Concessional contributions' on page 3 for details) will be included in your assessable income and taxed at your marginal tax rate (plus Medicare levy). You will also have to pay an excess concessional contributions charge on the increase in your tax liability. You have the option to withdraw from your Super Plan account an amount equal to 85% of the excess concessional contribution. Any excess concessional contributions withdrawn do not count towards your non-concessional contribution cap.

NON-CONCESSIONAL CONTRIBUTIONS

Any non-concessional contributions that exceed your non-concessional contribution cap (see 'Non-concessional contributions' on page 3 for details) are taxable at the top marginal tax rate (plus Medicare levy) and you must withdraw from the Super Plan an amount equal to your liability to pay the excess contributions tax. To limit excessive contributions taxes, an individual non-concessional contribution generally will only be accepted if it is within the relevant limit. However, you are responsible for monitoring your total non-concessional contributions against the relevant limit.

You have the option of withdrawing superannuation contributions in excess of the non-concessional contributions cap made from 1 July 2013 and any associated earnings. The earnings will be taxed at your marginal tax rate.

SPOUSE CONTRIBUTIONS

A person can claim a tax offset of up to \$540 per annum for superannuation contributions made on behalf of their low income or non-working eligible spouse earning up to \$37,000 during the year. The tax offset is calculated as 18% of contributions up to a maximum contribution of \$3,000.

You can obtain further information from www.ato.gov.au.

BENEFITS PAID TO MEMBERS

When a superannuation benefit is received, it may include both tax-free and taxable components, calculated in the same proportions as the total account balance immediately before the payment.

The taxable portion of any superannuation lump sum or pension benefit is subject to tax depending on your age when received, as shown in the following tables.

TAX ON LUMP SUM BENEFIT PAYMENTS

COMPONENT	AGE BENEFIT RECEIVED	TAX TREATMENT
Tax-free¹	Any age	Tax-free
Taxable²	Before reaching your preservation age ³	Taxed at 20% ⁴
	After reaching your preservation age ³ but before age 60	2018/2019 financial year: First \$205,000 ⁵ is tax-free and the balance taxed at 15% ⁴ 2019/2020 financial year: First \$210,000 ⁵ is tax-free and the balance taxed at 15% ⁴
	On or after reaching age 60	Tax-free

TAX ON PENSION BENEFIT PAYMENTS

COMPONENT	AGE BENEFIT RECEIVED	TAX TREATMENT
Tax-free¹	Any age	Tax-free
Taxable²	Before reaching your preservation age ³	Taxable at marginal tax rate ⁴
	After reaching your preservation age ³ but before age 60	Taxable at marginal tax rate ⁴ , less 15% pension offset
	On or after reaching age 60	Tax-free

- 1 Includes non-concessional contributions and Government co-contributions from 1 July 2007 (plus the former undeducted contributions, pre-July 1983 (amount fixed as at 30 June 2007), post-June 1994 invalidity, CGT exempt and concessional components).
- 2 Includes concessional contributions from 1 July 2007 (plus the former post-June 1983 (taxed) and excessive components).
- 3 Please refer to the 'Preservation age' table on page 6 for details.
- 4 Plus Medicare levy.
- 5 The low-rate cap is a lifetime limit and will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) in multiples of \$5,000.

TAX ON DEPARTING AUSTRALIA SUPERANNUATION PAYMENTS (DASP)

The tax payable on a DASP (see the 'Conditions of release for superannuation benefits' table on page 5 for further information) is generally 35% for a taxable element of a taxable component.

DASPs made to working holiday makers will be taxed at 65%.

TAX ON DEATH BENEFITS

Payment rules and the tax consequences depend on whether the death benefit is paid to a dependant or non-dependant. A death benefit dependant for tax purposes is a:

- current or former spouse¹
- child¹ under age 18
- person who was financially dependent on you at the time of your death or
- person who you have an 'interdependency relationship'¹ with.

- 1 See 'Dependants' under 'Death benefits' on page 7 for definitions.

DEATH BENEFITS PAID TO DEPENDANTS

Lump sum death benefit payments are tax-free if paid to a dependant for tax purposes.

A death benefit paid as a pension will be tax-free if either the primary or reversionary beneficiary is aged 60 or over. If they're both under age 60 at the time of death, the pension (less any tax-free amount) will continue to be taxed at the reversionary beneficiary's marginal tax rate (plus Medicare levy) less 15% pension tax offset until the reversionary beneficiary turns age 60, when it becomes tax-free.

If the death benefit is paid as a pension to a dependant child, the balance must be paid as a (tax-free) lump sum when the child turns 25 (unless permanently disabled).

DEATH BENEFITS PAID TO NON-DEPENDANTS

Death benefit payments to non-dependants for tax purposes (eg an adult child) have to be paid as a lump sum benefit. The taxable component of a death benefit paid to a non-dependant will normally be taxed at 15% (plus Medicare levy).

Where a death benefit contains an insurance amount, it may include an untaxed element. The untaxed component of a death benefit paid to a non-dependant will normally be taxed at 30% (plus Medicare levy).

DEATH BENEFITS PAID TO YOUR LEGAL PERSONAL REPRESENTATIVE

If the death benefit is paid to your legal personal representative for distribution through your estate, any tax payable will depend on how the death benefit is ultimately distributed between your dependants and any non-dependants.

TAX ON DISABILITY SUPER BENEFITS

A tax offset of 15% is generally available on disability super benefits paid as a pension to members under age 60.

TAX ON TERMINAL ILLNESS BENEFITS

Generally no tax is payable on benefits that are paid to you under the 'terminal medical condition' condition of release (see the 'Conditions of release for superannuation benefits' table on page 5 for details).

TAX ON SALARY CONTINUANCE BENEFITS

PAYG tax will be deducted on any salary continuance benefits that are paid to you (see 'Insurance cover' on page 20 and the separate 'Insurance in your super' document for further information).

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