

# PERPETUAL WEALTHFOCUS

Investment Book

**INVESTMENT BOOK  
DATED 1 MARCH 2019**

Issued by  
Perpetual Investment Management Limited  
ABN 18 000 866 535  
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RSE L0003315

Perpetual 

## IMPORTANT NOTES

### PERPETUAL WEALTHFOCUS INVESTMENT ADVANTAGE

This Investment Book is issued by Perpetual Investment Management Limited for Perpetual WealthFocus Investment Advantage.

The information in this document forms part of and should be read in conjunction with Product Disclosure Statement issue number 8 dated 1 March 2019 for Perpetual WealthFocus Investment Advantage (including the current Features Book).

It contains important additional information about:

- how the Fund works (distribution frequencies and dates)
- how we invest your money.

We may update this document where we can according to the Fund's constitution 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.

### PERPETUAL WEALTHFOCUS SUPER PLAN PERPETUAL WEALTHFOCUS PENSION PLAN

This Investment Book is issued by Perpetual Superannuation Limited for Perpetual WealthFocus Super Plan and Perpetual WealthFocus Pension Plan and forms Part 2 of:

- Product Disclosure Statement issue number 12 dated 1 March 2019 for Perpetual WealthFocus Super Plan
- Product Disclosure Statement issue number 12 dated 1 March 2019 for Perpetual WealthFocus Pension Plan.

You should read this Investment Book carefully together with the PDS Part 1 Features Book for the relevant product before making a decision to invest. If you haven't received both parts of the PDS, please contact us (see inside back cover for contact details).

### GENERAL

All terms used in this Investment Book have the same meaning as in the:

- Product Disclosure Statement and Features Book for Perpetual WealthFocus Investment Advantage
- Product Disclosure Statement Part 1 Features Book for Perpetual WealthFocus Super Plan
- Product Disclosure Statement Part 1 Features Book for Perpetual WealthFocus Pension Plan.

'Perpetual Investments' in this document also refers to Perpetual Investment Management Limited as the investment manager of the underlying funds for the relevant investment options.

The information in this document is of a general nature only and does not take into account any investor's particular investment objectives, financial situation or needs. Before you invest, you should read all of the documents that form part of the PDS for the relevant product and assess whether a particular investment option is appropriate for you.

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# ASSET CLASSES AVAILABLE

The main asset classes in which you can invest via WealthFocus are summarised in the following table.

## THE MAIN ASSET CLASSES

ASSET CLASS	DESCRIPTION OF INVESTMENT
<b>Cash and enhanced cash</b>	<p>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.<sup>1</sup></p> <p>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-term interest rate exposures.</p>
<b>Fixed income</b>	<p>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.</p>
<b>Property</b>	<p>A 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.</p>
<b>Infrastructure</b>	<p>Infrastructure involves investing by purchasing equity or debt securities in 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>
<b>Shares</b>	<p>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.</p>
<b>Alternatives</b>	<p>Alternative assets are most easily defined as investments that fall outside the more traditional asset classes of shares, fixed income, cash or property, or utilise sophisticated trading strategies, derivatives (eg futures and forwards) and/or short selling to help achieve their performance objectives.</p>

<sup>1</sup> This general definition of cash may differ for various investment options – see relevant ‘Footnotes to investment option profiles’ on page 21.

# INVESTMENT OPTIONS

## SUMMARY OF INVESTMENT OPTIONS

ASSET CLASS	INVESTMENT OPTION	PAGE
Cash	Perpetual Cash	5
Fixed income	Bentham Global Income	5
	Macquarie Income Opportunities	5
	OnePath Diversified Fixed Interest	6
	Perpetual Diversified Income	6
	Perpetual Dynamic Fixed Income	6
	Schroder Fixed Income	7
	Vanguard Australian Fixed Interest Index	7
	Property and infrastructure	AMP Capital Global Property Securities
Lazard Global Listed Infrastructure		8
Pendal Property Securities		8
Vanguard Australian Property Securities Index		8
Australian shares	Ausbil Australian Active Equity	9
	Ausbil Australian Emerging Leaders	9
	Fidelity Australian Equities	9
	Investors Mutual Australian Share	10
	Investors Mutual Future Leaders	10
	Pendal Australian Equity	10
	Perpetual Australian Share	11
	Perpetual Concentrated Equity	11
	Perpetual Ethical SRI	11
	Perpetual Geared Australian	12
	Perpetual Industrial Share	12
	Perpetual SHARE-PLUS Long-Short	12
	Perpetual Smaller Companies	13
	Schroder Australian Equity	13
	Vanguard Australian Shares Index	13

ASSET CLASS	INVESTMENT OPTION	PAGE
International shares	Magellan Global	14
	MFS Global Equity	14
	Perpetual Global Share	14
	Platinum Asia	15
	Platinum International	15
	T. Rowe Price Global Equity	15
	Vanguard International Shares Index	16
	Vanguard International Shares Index (Hedged)	16
Diversified – conservative	BlackRock Scientific Diversified Stable	16
	Perpetual Conservative Growth	17
Diversified – balanced	Perpetual Diversified Growth	17
	Perpetual Diversified Real Return	17
Diversified – growth	BlackRock Scientific Diversified Growth	18
	BlackRock Tactical Growth	18
	Morningstar Growth Real Return	18
	Perpetual Balanced Growth	19
	Perpetual Split Growth	19
	Schroder Balanced	19
Alternatives	Aspect Diversified Futures	20

## INVESTMENT STRUCTURE

All investment options invest in assets either directly or indirectly via underlying managed funds that in turn invest in various asset classes in accordance with the investment option's investment guidelines.

Where an investment option invests indirectly, the investment option mirrors the objective and investment approach of its corresponding underlying fund (see 'Asset allocations and investment performance' on page 24 for further information).

## INVESTMENT OPTION PROFILES

The investment option profiles on pages 5-21 provide a summary of the investment options offered within WealthFocus. For more details and any updated information about the investment options, visit our website or contact us.

The following information explains certain terms and concepts detailed in the investment option profiles.

### INVESTMENT MANAGER

This is the specialist investment manager(s) that manages the underlying fund's assets (see 'Investment managers' on page 22 for further information).

### RISK LEVEL

The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow members/investors to compare investments 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/investor may require to meet their objectives. Further, it does not take into account the impact of administration fees on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your 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 by the investment manager. Any changes to SRMs at any time will be available at our website.

### SUGGESTED LENGTH OF INVESTMENT

This is a guide only and not a recommendation. You should discuss your investment in the investment option(s) with your financial adviser to ensure that it meets your needs.

### DISTRIBUTION FREQUENCY AND DATES

The distribution frequency applies to Perpetual WealthFocus Investment Advantage only and is how often the investment option usually makes a distribution. The distribution dates are the effective dates for distributions. Payment of distributions not reinvested occurs after the distribution date.

### OBJECTIVE

The objective is a summary of what the investment option aims to achieve.

### INVESTMENT APPROACH

This is the method or principles that the investment manager uses, either directly or indirectly, to manage the investment option to meet its objectives.

### INVESTMENT GUIDELINES

This provides an indication of what the investment option will invest in directly or indirectly.

### FOOTNOTES

You should refer to page 21 for details of footnotes.

### SUITABILITY

Each investment option is designed for investors with the appropriate risk level, investment timeframe and objective, as set out in the profiles.

### ADDITIONAL INFORMATION

The following additional information, which forms part of each PDS, is available at our website (see the relevant PDS or PDS Part 1 Features Book, as applicable, for details) or can be obtained free of charge by contacting us:

- the commencement date for each investment option (that is, the month and year when the investment option received its first investment)
- the buy/sell spread for each investment option (see the Features Book for further information).

## INVESTMENT OPTION PROFILES

	CASH	FIXED INCOME	FIXED INCOME																						
	PERPETUAL CASH	BENTHAM GLOBAL INCOME	MACQUARIE INCOME OPPORTUNITIES																						
<b>Investment manager</b>	Perpetual Investment Management Limited	Bentham Asset Management Pty Ltd	Macquarie Investment Management Global Limited																						
<b>Risk level</b>	1 – Very low	6 – High	4 – Medium																						
<b>Suggested length of investment</b>	Any period	Three years	Three years																						
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Monthly – end of each calendar month	Monthly – end of each calendar month																						
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide investors with capital stability, regular income and easy access to funds by investing in deposits, money-market and fixed income securities</li> <li>outperform the Bloomberg AusBond Bank Bill Index (before fees and taxes) on an ongoing basis.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide exposure to global credit markets and to generate income with some potential for capital growth over the medium-to-long term</li> <li>outperform its composite benchmark (50% Bloomberg AusBond Composite O+ Yr Index and 50% Bloomberg AusBond Bank Bill Index) over the suggested investment time frame.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>outperform the Bloomberg AusBond Bank Bill Index over the medium term (before fees)</li> <li>provide higher income returns than traditional cash investments at all stages of interest rate and economic cycles.</li> </ul>																						
<b>Investment approach</b>	<p>Perpetual Investments aims to achieve the objective by:</p> <ul style="list-style-type: none"> <li>actively managing the portfolio with respect to the future course of interest rates</li> <li>actively managing for changes in the level of interest rates and credit margins amongst individual securities with different maturities</li> <li>diversifying the fund amongst different securities issued by various borrowers.</li> </ul>	<p>The fund is actively managed and focused on generating stable investment income by providing a diversified exposure to domestic and global credit markets while managing interest rate risk and currency risk. The fund must maintain a minimum investment of 50% in investment grade rated securities (asset rated BBB-/Baa3 or better) and limits the maximum portfolio exposure to any single issuer to 2% of the net asset value of the fund (for non-investment grade securities). It may also have up to 10% physical exposure to equity securities.</p>	<p>The fund predominantly provides exposure to a wide range of domestic and global investment grade floating and fixed rate instruments, asset-backed securities, and cash. The fund may also have opportunistic exposure to other fixed income sectors and instruments such as, high yield and emerging markets debt as well as other fixed income instruments. Interest rate risk will generally be hedged through the use of derivatives such as swaps and futures.</p> <p>The fund may be exposed to derivatives to implement its investment strategy. For example, protection may be purchased on issuers that are believed to be over-valued or at risk of downgrade. These positions increase in value when the underlying investment falls in value and decrease in value when the underlying investment rises in value. The portfolio is generally hedged to Australian dollars.</p>																						
<b>Investment guidelines</b>	<table border="0"> <tr> <td>Cash</td> <td>100%</td> </tr> </table>	Cash	100%	<table border="0"> <tr> <td>Australian hybrid securities</td> <td>0-50%</td> </tr> <tr> <td>Global hybrids (global/Euro convertible bonds)</td> <td>0-40%</td> </tr> <tr> <td>Global loans (includes syndicated loans)</td> <td>0-50%</td> </tr> <tr> <td>Global high yield bonds</td> <td>0-30%</td> </tr> <tr> <td>Investment grade credit (includes global corporate bonds and asset backed securities)</td> <td>0-75%</td> </tr> <tr> <td>Cash</td> <td>0-30%</td> </tr> </table> <p>These ranges are based on net exposures and may vary according to hedging.</p>	Australian hybrid securities	0-50%	Global hybrids (global/Euro convertible bonds)	0-40%	Global loans (includes syndicated loans)	0-50%	Global high yield bonds	0-30%	Investment grade credit (includes global corporate bonds and asset backed securities)	0-75%	Cash	0-30%	<table border="0"> <tr> <td>Investment grade</td> <td>0-100%<sup>1</sup></td> </tr> <tr> <td>High yield</td> <td>0-20%<sup>1</sup></td> </tr> <tr> <td>Emerging markets debt<sup>2</sup></td> <td>0-15%<sup>1</sup></td> </tr> <tr> <td>Cash</td> <td>0-100%<sup>1</sup></td> </tr> </table>	Investment grade	0-100% <sup>1</sup>	High yield	0-20% <sup>1</sup>	Emerging markets debt <sup>2</sup>	0-15% <sup>1</sup>	Cash	0-100% <sup>1</sup>
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## INVESTMENT OPTION PROFILES

	FIXED INCOME	FIXED INCOME	FIXED INCOME																						
	ONEPATH DIVERSIFIED FIXED INTEREST	PERPETUAL DIVERSIFIED INCOME	PERPETUAL DYNAMIC FIXED INCOME																						
<b>Investment manager</b>	PIMCO Australia Pty Ltd	Perpetual Investment Management Limited	Perpetual Investment Management Limited																						
<b>Risk level</b>	4 – Medium	5 – Medium to high	6 – High																						
<b>Suggested length of investment</b>	Three years	Three years or longer	Three years or longer																						
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December																						
<b>Objective</b>	Aims to provide income and achieve returns (before fees, charges and taxes) that exceed the Bloomberg AusBond Composite 0+ Yr Index over periods of three years or more.	Aims to provide regular income and consistent returns above the Bloomberg AusBond Bank Bill Index (before fees and taxes) over rolling three-year periods by investing in a diverse range of income generating assets.	Aims to provide: <ul style="list-style-type: none"> <li>capital stability and regular income by investing in a diverse range of income generating assets</li> <li>a positive return (before fees and taxes) irrespective of market conditions over a rolling three-year period.</li> </ul>																						
<b>Investment approach</b>	The fund is actively managed and invests predominantly in a diversified mix of Australian and international fixed interest rate securities.	The fund's approach to delivering returns and managing risk is through an active and risk aware investment process which invests in a diversified core portfolio of liquid investment grade credit securities. Perpetual Investments believes these assets provide investors with protection in times of market stress. When the environment is supportive Perpetual Investments seeks to enhance returns by taking more risk whether that be in maturity, credit rating, subordination or gearing. The fund can also invest in alternative income generating securities such as mortgages, infrastructure debt and private debt. This approach to portfolio construction is Perpetual Investments' preferred method to deliver investors the highest possible risk adjusted returns. Derivatives may be used in managing the fund. <sup>3</sup>	Perpetual Investments aims to achieve the objective by: <ul style="list-style-type: none"> <li>investing in both Australian and international fixed income assets</li> <li>actively managing the credit risk through: <ul style="list-style-type: none"> <li>diversifying the fund among different securities issued by various borrowers</li> <li>actively managing for changes in market-wide and security-specific credit margins</li> <li>identifying and investing in relative value within the universe of credit securities</li> </ul> </li> <li>managing duration risk<sup>6</sup> considering a variety of factors, including valuations and current market conditions.</li> </ul> <p>Currency hedges may be used from time to time.</p> <p>Derivatives may be used in managing the fund.<sup>3</sup></p>																						
<b>Investment guidelines</b>	<table border="0"> <tr> <td>Cash and Australian fixed interest</td> <td>0-90%</td> </tr> <tr> <td>International fixed interest</td> <td>0-90%</td> </tr> <tr> <td>Australian and international credit</td> <td>0-20%</td> </tr> </table>	Cash and Australian fixed interest	0-90%	International fixed interest	0-90%	Australian and international credit	0-20%	<table border="0"> <tr> <td>Cash and investment grade securities<sup>4</sup></td> <td>75-100%</td> </tr> <tr> <td>Sub-investment grade securities<sup>5</sup> and non-rated securities (includes mortgages and other private debt<sup>5</sup>)</td> <td>0-25%</td> </tr> <tr> <td>Gearing level (of the fund's net asset value)</td> <td>0-15%</td> </tr> <tr> <td></td> <td>0-25%</td> </tr> </table>	Cash and investment grade securities <sup>4</sup>	75-100%	Sub-investment grade securities <sup>5</sup> and non-rated securities (includes mortgages and other private debt <sup>5</sup> )	0-25%	Gearing level (of the fund's net asset value)	0-15%		0-25%	<table border="0"> <tr> <td>Fixed rate exposure</td> <td>0-100%</td> </tr> <tr> <td>Floating rate exposure</td> <td>0-100%</td> </tr> <tr> <td>Cash and investment grade securities<sup>4</sup></td> <td>75-100%</td> </tr> <tr> <td>Sub-investment grade securities<sup>5</sup> and non-rated securities</td> <td>0-25%</td> </tr> </table>	Fixed rate exposure	0-100%	Floating rate exposure	0-100%	Cash and investment grade securities <sup>4</sup>	75-100%	Sub-investment grade securities <sup>5</sup> and non-rated securities	0-25%
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## INVESTMENT OPTION PROFILES

	FIXED INCOME	FIXED INCOME	PROPERTY AND INFRASTRUCTURE																
	SCHRODER FIXED INCOME	VANGUARD AUSTRALIAN FIXED INTEREST INDEX	AMP CAPITAL GLOBAL PROPERTY SECURITIES																
<b>Investment manager</b>	Schroder Investment Management Australia Limited	Vanguard Investments Australia Ltd	AMP Capital Investors Limited (AMP Capital)																
<b>Risk level</b>	5 – Medium to high	4 – Medium	7 – Very high																
<b>Suggested length of investment</b>	Three years or longer	Three years	Five years																
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December																
<b>Objective</b>	Aims to obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the Bloomberg AusBond Composite 0+ Yr Index over rolling three-year periods.	Seeks to track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.	Aims to provide total returns (income and capital growth) after costs and before tax, above the fund's performance benchmark (FTSE EPRA/NAREIT Developed Index hedged in AUD Net TRI), on a rolling three-year basis.																
<b>Investment approach</b>	<p>The fund is an actively managed, low volatility strategy that invests in a range of domestic and international fixed income assets with the objective of outperforming the Bloomberg AusBond Composite 0+Yr Index, whilst delivering stable absolute returns over time. It adopts a Core-Plus investment approach whereby a core portfolio comprised of Australian investment grade bonds is complemented by investments in a diverse range of global and domestic fixed income securities.</p> <p>Any foreign currency exposure is hedged back into AUD. This practice is implemented with a tolerance range of 90%-110% for each currency. The fund currently uses forward contracts to hedge out any foreign currency exposures.</p>	The fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, as well as investment-grade corporate issuers. While being low cost, the fund also provides some protection against capital volatility.	To take advantage of global real estate market conditions, as well as country specific opportunities, the fund's investment style combines a macroeconomic (top-down) approach to regional and country allocations with a stock specific (bottom-up) selection process.																
<b>Investment guidelines</b>	<table border="0"> <tr> <td>Australian investment grade</td> <td>20-100%</td> </tr> <tr> <td>Global investment grade<sup>7</sup></td> <td>0-50%</td> </tr> <tr> <td>Australian high yield<sup>8</sup></td> <td>0-20%</td> </tr> <tr> <td>Global high yield<sup>7,8</sup></td> <td>0-20%</td> </tr> <tr> <td>Cash</td> <td>0-50%</td> </tr> </table>	Australian investment grade	20-100%	Global investment grade <sup>7</sup>	0-50%	Australian high yield <sup>8</sup>	0-20%	Global high yield <sup>7,8</sup>	0-20%	Cash	0-50%	<table border="0"> <tr> <td>Australian fixed interest</td> <td>100%</td> </tr> </table>	Australian fixed interest	100%	<table border="0"> <tr> <td>Global property securities</td> <td>90-100%</td> </tr> <tr> <td>Cash and fixed interest</td> <td>0-10%</td> </tr> </table>	Global property securities	90-100%	Cash and fixed interest	0-10%
Australian investment grade	20-100%																		
Global investment grade <sup>7</sup>	0-50%																		
Australian high yield <sup>8</sup>	0-20%																		
Global high yield <sup>7,8</sup>	0-20%																		
Cash	0-50%																		
Australian fixed interest	100%																		
Global property securities	90-100%																		
Cash and fixed interest	0-10%																		

## INVESTMENT OPTION PROFILES

	PROPERTY AND INFRASTRUCTURE	PROPERTY AND INFRASTRUCTURE	PROPERTY AND INFRASTRUCTURE
	LAZARD GLOBAL LISTED INFRASTRUCTURE	PENDAL PROPERTY SECURITIES	VANGUARD AUSTRALIAN PROPERTY SECURITIES INDEX
<b>Investment manager</b>	Lazard Asset Management Pacific Co.	Pendal Institutional Limited	Vanguard Investments Australia Ltd
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Seven years
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December
<b>Objective</b>	Aims to achieve total returns (comprising income and capital appreciation and before the deduction of fees and taxes) that outperform inflation, as measured by the Australian Consumer Price Index, by 5% pa over rolling five-year periods.	Aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 A-REIT Accumulation Index over the medium-to-long term. There is a medium to high risk of losing money in any year. The fund is likely to produce higher returns over the long term.	Seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.
<b>Investment approach</b>	<p>Lazard is a valuation manager, embracing fundamental analysis to support a bottom-up stock selection style. Lazard’s approach to stock selection is based on identifying companies that are trading at a discount relative to Lazard’s assessment of their intrinsic value. The more attractive shares in Lazard’s preferred infrastructure universe generally populate the portfolio, taking into account portfolio construction guidelines. These guidelines are designed to ensure diversification among infrastructure sectors, countries and regions as well as to avoid concentration to any one company.</p> <p>Lazard will substantially hedge the foreign currency exposures in the portfolio back to the Australian dollar.</p>	<p>The fund invests in the Pendal Property Securities Fund which is an actively managed portfolio of property securities designed for investors who want the potential for long term capital growth and income, diversification across a broad range of primarily Australian property securities and are prepared to accept higher variability of returns. The fund invests in property securities including listed property trusts, developers and infrastructure investments.</p> <p>The fund invests primarily in Australia but at times it may have some overseas exposure. Up to 15% of the fund can be invested in international listed property securities. Up to 5% may also be invested in unlisted property investments. The fund may also hold cash and may use derivatives.</p> <p>The fund may have assets that are denominated in foreign currencies. This means that changes to the Australian dollar relative to foreign currencies may affect the value of the assets of the fund. The fund’s foreign currency exposure will generally be fully hedged back to the Australian dollar to the extent considered reasonably practicable.</p>	The fund provides a low-cost way to invest in property securities listed on the Australian Securities Exchange. The property sectors in which the fund invests include retail, office, industrial and diversified. The fund offers potential long-term capital growth and tax-effective income that may include a tax-deferred component.
<b>Investment guidelines</b>	Infrastructure securities 95-100% Cash 0-5%	Property investments 80-100% Cash 0-20%	Australian property securities 100%

## INVESTMENT OPTION PROFILES

	AUSTRALIAN SHARES	AUSTRALIAN SHARES	AUSTRALIAN SHARES
	AUSBIL AUSTRALIAN ACTIVE EQUITY	AUSBIL AUSTRALIAN EMERGING LEADERS	FIDELITY AUSTRALIAN EQUITIES
<b>Investment manager</b>	Ausbil Investment Management Limited	Ausbil Investment Management Limited	FIL Investment Management (Australia) Limited
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Five to seven years or longer
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December	Half-yearly – 30 June and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December
<b>Objective</b>	Aims to outperform the S&P/ASX 300 Accumulation Index per annum over rolling three-year periods with moderate tax-effective income by investing in a portfolio of listed Australian equities that are generally chosen from the S&P/ASX 300 Index.	Aims to outperform per annum over rolling three-year periods a composite benchmark comprising the S&P/ASX Midcap 50 Accumulation Index (70%) and S&P/ASX Small Ordinaries Accumulation Index (30%). The fund invests in a portfolio of listed Australian equities that are primarily chosen from the S&P/ASX 300 Index, but generally exclude securities from the S&P/ASX 50 Leaders Index. The fund invests in small to medium cap stocks which possess potential for superior growth.	Aims to achieve a return (before fees, costs and taxes) that exceeds the S&P/ASX 200 Accumulation Index over a period of five to seven years.
<b>Investment approach</b>	The broad investment philosophy is that active management of portfolios facilitates consistent and risk controlled outperformance. Rather than focus only on growth or value investing, the investment processes allow the investment manager to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.	The broad investment philosophy is that active management of portfolios facilitates consistent and risk controlled outperformance. Rather than focus only on growth or value investing, the investment processes allow the investment manager to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.	Fidelity seeks out stocks that it believes are undervalued and likely to generate growth. The companies selected for the portfolio must demonstrate good management, strong competitive advantages and enjoy favourable industry dynamics.
<b>Investment guidelines</b>	Australian shares 90-100% Cash 0-10%	Australian shares 90-100% Cash 0-10%	Australian securities 90-100% Cash at bank 0-10%

## INVESTMENT OPTION PROFILES

	AUSTRALIAN SHARES	AUSTRALIAN SHARES	AUSTRALIAN SHARES
	INVESTORS MUTUAL AUSTRALIAN SHARE	INVESTORS MUTUAL FUTURE LEADERS	PENDAL AUSTRALIAN EQUITY
<b>Investment manager</b>	Investors Mutual Limited	Investors Mutual Limited	Pendal Institutional Limited
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Four to five years	Four to five years	Five years or longer
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December	Half-yearly – 30 June and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December
<b>Objective</b>	Aims to provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark S&P/ASX300 Accumulation Index on a rolling four-year basis.	Aims to provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark S&P/ASX300 Accumulation Index (excluding S&P/ASX50 and excluding Property Trusts) on a rolling four-year basis.	Aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Accumulation Index over the medium-to-long term. There is a medium to high risk of losing money in any year. The fund is likely to produce higher returns over the long term.
<b>Investment approach</b>	The fund will invest in a diversified portfolio of quality ASX listed Australian and New Zealand industrial and resource shares, where these shares are identified by their investment team as being undervalued.	The fund will invest in a diversified portfolio of quality ASX listed Australian and New Zealand shares outside the Top 50 shares listed on the ASX, where these shares are identified by their investment team as being undervalued.	The fund invests in the Pendal Australian Equity Fund which is an actively managed portfolio of Australian shares designed for investors who want the potential for long term capital growth, tax effective income and diversification across a broad range of Australian companies and industries, and are prepared to accept higher variability of returns. The fund may also hold cash and may use derivatives.
<b>Investment guidelines</b>	Australian shares 90-100% Cash 0-10%	Australian shares 80-100% Cash 0-20%	Australian equities 80-100% Cash 0-20%

## INVESTMENT OPTION PROFILES

	AUSTRALIAN SHARES	AUSTRALIAN SHARES	AUSTRALIAN SHARES
	PERPETUAL AUSTRALIAN SHARE	PERPETUAL CONCENTRATED EQUITY	PERPETUAL ETHICAL SRI
<b>Investment manager</b>	Perpetual Investment Management Limited	Perpetual Investment Management Limited	Perpetual Investment Management Limited
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Five years or longer
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December	Half-yearly – 30 June and 31 December	Half-yearly – 30 June and 31 December
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and regular income through investment in quality industrial and resource shares</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and income through investment in quality industrial and resource shares</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and regular income through investment in quality shares of ethical and socially responsible companies</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>
<b>Investment approach</b>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>The fund's investment portfolio will typically consist of between 20 and 45 stocks.</p> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>In addition to the above investment approach, Perpetual Investments utilises a strategy for screening ethical and socially responsible investments (see 'Environmental, social and ethical factors and labour standards – Perpetual Ethical SRI investment option' on page 22).</p> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>
<b>Investment guidelines</b>	<p>Australian shares<sup>10</sup> 90-100%</p> <p>Cash 0-10%</p>	<p>Australian shares<sup>10</sup> 90-100%</p> <p>Cash 0-10%</p>	<p>Australian shares<sup>10</sup> 90-100%</p> <p>Cash 0-10%</p>

## INVESTMENT OPTION PROFILES

	AUSTRALIAN SHARES	AUSTRALIAN SHARES	AUSTRALIAN SHARES																		
	PERPETUAL GEARED AUSTRALIAN	PERPETUAL INDUSTRIAL SHARE	PERPETUAL SHARE-PLUS LONG-SHORT																		
<b>Investment manager</b>	Perpetual Investment Management Limited	Perpetual Investment Management Limited	Perpetual Investment Management Limited																		
<b>Risk level</b>	7 – Very high	7 – Very high	6 – High																		
<b>Suggested length of investment</b>	Seven years or longer	Five years or longer	Five years or longer																		
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Half-yearly – 30 June and 31 December																		
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>enhance long-term capital growth through borrowing (gearing) to invest in quality industrial and resource shares</li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and regular income through investment in quality industrial shares</li> <li>outperform the S&amp;P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and income through investment in quality shares and taking short positions predominantly in selected Australian shares<sup>10</sup></li> <li>outperform the S&amp;P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>																		
<b>Investment approach</b>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>The gearing level of the fund must be kept within pre-determined guidelines. Within these, Perpetual Investments aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income.</p> <p>Derivatives may be used in managing the fund, including for gearing purposes.<sup>9</sup></p>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>In addition, Perpetual Investments aims to take short positions predominantly in Australian shares<sup>10</sup> that it believes will fall in value. The short positions are determined based on each stock's expected returns and the investment constraints (designed to reduce the risks associated with taking short positions).</p> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>																		
<b>Investment guidelines</b>	<table border="0"> <tr> <td>Australian shares<sup>10</sup></td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> <tr> <td>Gearing level<sup>11</sup></td> <td>0-60%</td> </tr> </table>	Australian shares <sup>10</sup>	90-100%	Cash	0-10%	Gearing level <sup>11</sup>	0-60%	<table border="0"> <tr> <td>Industrial shares<sup>10</sup></td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table>	Industrial shares <sup>10</sup>	90-100%	Cash	0-10%	<table border="0"> <tr> <td>Australian shares<sup>10</sup></td> <td>90-125%</td> </tr> <tr> <td>Short positions<sup>12</sup></td> <td>0-25%</td> </tr> <tr> <td>Australian shares<sup>10</sup> (net)<sup>12</sup></td> <td>65-100%</td> </tr> <tr> <td>Cash</td> <td>0-35%</td> </tr> </table>	Australian shares <sup>10</sup>	90-125%	Short positions <sup>12</sup>	0-25%	Australian shares <sup>10</sup> (net) <sup>12</sup>	65-100%	Cash	0-35%
Australian shares <sup>10</sup>	90-100%																				
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Australian shares <sup>10</sup>	90-125%																				
Short positions <sup>12</sup>	0-25%																				
Australian shares <sup>10</sup> (net) <sup>12</sup>	65-100%																				
Cash	0-35%																				

## INVESTMENT OPTION PROFILES

	AUSTRALIAN SHARES	AUSTRALIAN SHARES	AUSTRALIAN SHARES
	PERPETUAL SMALLER COMPANIES	SCHRODER AUSTRALIAN EQUITY	VANGUARD AUSTRALIAN SHARES INDEX
<b>Investment manager</b>	Perpetual Investment Management Limited	Schroder Investment Management Australia Limited	Vanguard Investments Australia Ltd
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Five years or longer	Three years or longer	Seven years
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December	Half-yearly – 30 June and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and income through investment in quality Australian industrial and resource shares which, when first acquired, do not rank in the S&amp;P/ASX 50 Index</li> <li>outperform the S&amp;P/ASX Small Ordinaries Accumulation Index (before fees and taxes) over rolling three-year periods.</li> </ul>	<p>Aims to outperform the S&amp;P/ASX 200 Accumulation Index over rolling three-to-five-year periods by investing in a broad range of companies from Australia and New Zealand.</p>	<p>Seeks to track the return of the S&amp;P/ASX 300 Index before taking into account fees, expenses and tax.</p>
<b>Investment approach</b>	<p>Perpetual Investments researches companies of all sizes using consistent share selection criteria. Perpetual Investments' 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"> <li>conservative debt levels</li> <li>sound management</li> <li>quality business and</li> <li>recurring earnings.</li> </ul> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>	<p>Schroders' philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price out performance in the long term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage.</p>	<p>The fund provides low costs with broadly diversified exposure to Australian companies and property trusts listed on the Australian Securities Exchange. It also offers potential long-term capital growth along with dividend income and franking credits.</p>
<b>Investment guidelines</b>	<p>Australian smaller company shares<sup>10</sup> 80-100%</p> <p>Cash 0-20%</p>	<p>Australian and New Zealand shares 95-100%</p> <p>Cash 0-5%</p>	<p>Australian shares 100%</p>

## INVESTMENT OPTION PROFILES

	INTERNATIONAL SHARES MAGELLAN GLOBAL	INTERNATIONAL SHARES MFS GLOBAL EQUITY	INTERNATIONAL SHARES PERPETUAL GLOBAL SHARE												
<b>Investment manager</b>	Magellan Asset Management Limited	MFS International Australia Pty Ltd	Perpetual Investment Management Limited												
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high												
<b>Suggested length of investment</b>	Seven to ten years	Five years or longer	Seven years or longer												
<b>Distribution frequency and dates</b>	Yearly – 30 June	Yearly – 30 June	Half-yearly – 30 June and 31 December												
<b>Objective</b>	Aims to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.	<p>Aims to:</p> <ul style="list-style-type: none"> <li>• seek capital appreciation over the longer term by investing in a diversified portfolio of global shares</li> <li>• outperform its benchmark (the MSCI World Index (with net dividends reinvested before fees) measured in AUD) over a full market cycle, before taking into account fees and expenses.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>• provide long-term capital growth through investment in quality global shares</li> <li>• outperform the MSCI World Net Total Return Index (AUD) (before fees and taxes) over rolling three-year periods.</li> </ul>												
<b>Investment approach</b>	<p>The investment manager aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. The investment manager endeavours to acquire these companies at discounts to their assessed intrinsic value. The fund's portfolio will comprise 20 to 40 investments. The investment manager believes such a portfolio will achieve sufficient diversification to ensure the fund is not overly correlated to a single company, or to industry specific or macroeconomic risks.</p> <p>It is not the investment manager's intention to hedge the foreign currency exposure of the fund arising from investments in overseas markets.</p>	<p>Companies with sustainable above-average growth and returns, and whose prospects are not reflected in their valuation, will outperform over the long run. The value of compounding high returns on capital and above-average growth rates over long time periods is often underestimated by the market. Through fundamental analysis, MFS seeks to identify enduring businesses, focusing on operational risks and the long-term potential for change. MFS considers whether the valuation reflects the long-term growth and returns of the company, and to what extent it adequately incorporates risk.</p>	<p>Perpetual Investments aims to achieve the fund's investment objectives by:</p> <ul style="list-style-type: none"> <li>• adopting a 'bottom-up' stock selection approach to investing, where the decision to buy or sell is based on fundamental quality and valuation</li> <li>• constructing a portfolio that is benchmark independent in terms of stock and sector weights, although the fund's performance is measured against the MSCI World Net Total Return Index (AUD) (before fees and taxes) for the purpose of reporting and determining whether performance fees are payable</li> <li>• adding value from the portfolio manager's high conviction approach to stock selection.</li> </ul> <p>Currency hedging can be used with the aim of protecting the value of the fund's assets.</p> <p>Derivatives may be used in managing the fund.<sup>9</sup></p>												
<b>Investment guidelines</b>	<table border="0"> <tr> <td>Equities</td> <td>80-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table>	Equities	80-100%	Cash	0-20%	<table border="0"> <tr> <td>International shares</td> <td>90-100%</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>0-10%</td> </tr> </table>	International shares	90-100%	Cash and cash equivalents	0-10%	<table border="0"> <tr> <td>International shares</td> <td>75-100%</td> </tr> <tr> <td>Cash<sup>13</sup></td> <td>0-25%</td> </tr> </table>	International shares	75-100%	Cash <sup>13</sup>	0-25%
Equities	80-100%														
Cash	0-20%														
International shares	90-100%														
Cash and cash equivalents	0-10%														
International shares	75-100%														
Cash <sup>13</sup>	0-25%														

## INVESTMENT OPTION PROFILES

	INTERNATIONAL SHARES PLATINUM ASIA	INTERNATIONAL SHARES PLATINUM INTERNATIONAL	INTERNATIONAL SHARES T. ROWE PRICE GLOBAL EQUITY
<b>Investment manager</b>	Platinum Investment Management Limited	Platinum Investment Management Limited	T. Rowe Price Australia Limited
<b>Risk level</b>	7 – Very high	7 – Very high	7 – Very high
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Five to seven years or longer
<b>Distribution frequency and dates</b>	Yearly – 30 June	Yearly – 30 June	Yearly – 30 June
<b>Objective</b>	Aims to provide capital growth, where measured over at least five years, by investing in undervalued companies in the Asia region excluding Japan.	Aims to provide capital growth, where measured over at least five years, by investing in undervalued companies from around the world.	Aims to provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed on recognised exchanges and/or markets of developing countries. The fund's benchmark is the MSCI All Country World Index ex-Australia (unhedged). The performance target is 3% (gross of fees) or greater in excess of the benchmark.
<b>Investment approach</b>	The fund primarily invests in the listed securities of Asian companies. The fund will ideally consist of 50 to 100 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The fund will typically have 50% or more net equity exposure. Platinum manages risk associated with currency exposure through the use of hedging devices (eg foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.	The fund primarily invests in listed securities. The fund will ideally consist of 70 to 140 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The fund will typically have 50% or more net equity exposure. Platinum manages risk associated with currency exposure through the use of hedging devices (eg foreign exchange forwards, swaps, non-deliverable forwards and currency options) and cash foreign exchange trades.	T. Rowe Price leverages the proprietary fundamental research and analysis performed by the organisation's integrated worldwide network of equity investment professionals to identify highly recommended companies.  T. Rowe Price engages equity investment professionals to identify superior investment ideas, assess opportunities in a global sector context, overlay macroeconomic and local market factors to refine industry and company analysis, and select what they believe to be investments with the most attractive risk-reward characteristics. The portfolio manager applies judgment to construct a focused global portfolio consisting of the highest conviction investment ideas, typically a minimum of 90 holdings, within a diversified framework of country, sector and company guidelines.  Although the portfolio manager does not anticipate hedging to be a permanent feature of the fund or view currency as a primary source of generating returns, the fund's foreign currency exposures may be hedged up to 10% of the fund. These hedges will not be made against the Australian dollar but rather will generally be made against the US dollar.
<b>Investment guidelines</b>	International equities <sup>14</sup> 0-100% Cash and cash equivalent investments <sup>15</sup> 0-100%	International equities <sup>14</sup> 0-100% Cash and cash equivalent investments <sup>15</sup> 0-100%	Global equities 90-100% Cash 0-10%

## INVESTMENT OPTION PROFILES

	INTERNATIONAL SHARES	INTERNATIONAL SHARES	DIVERSIFIED - CONSERVATIVE																
	VANGUARD INTERNATIONAL SHARES INDEX	VANGUARD INTERNATIONAL SHARES INDEX (HEDGED)	BLACKROCK SCIENTIFIC DIVERSIFIED STABLE																
<b>Investment manager</b>	Vanguard Investments Australia Ltd	Vanguard Investments Australia Ltd	BlackRock Investment Management (Australia) Limited																
<b>Risk level</b>	6 – High	7 – Very high	5 – Medium to high <sup>16</sup>																
<b>Suggested length of investment</b>	Seven years or longer	Seven years or longer	Five years or longer																
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December																
<b>Objective</b>	Seeks to track the return of the MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.	Seeks to track the return of the MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index before taking into account fees, expenses and tax.	Aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark, comprising a portfolio of published indices approximately 70% of which represent interest bearing assets and 30% of which represent growth assets, before fees over rolling three-year periods.																
<b>Investment approach</b>	The fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.	The fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The fund is hedged to Australian dollars so the value of the fund is relatively unaffected by currency fluctuations.	BlackRock invests in various asset classes by investing in other managed investment schemes including those managed by BlackRock or other entities within the BlackRock Group. The fund invests across a range of active and passive investment strategies to construct the portfolio's strategic asset allocation. Each active strategy utilises a disciplined approach to investing that aims to add value over the strategic allocation and control for risk.																
<b>Investment guidelines</b>	International shares 100%	International shares 100%	<table border="0"> <tr> <td>Australian shares</td> <td>5-25%</td> </tr> <tr> <td>International shares</td> <td>0-20%</td> </tr> <tr> <td>Emerging markets shares</td> <td>0-10%</td> </tr> <tr> <td>Australian fixed interest</td> <td>15-35%</td> </tr> <tr> <td>International fixed interest</td> <td>10-30%</td> </tr> <tr> <td>Global listed infrastructure</td> <td>0-10%</td> </tr> <tr> <td>Global real estate (REITs)</td> <td>0-10%</td> </tr> <tr> <td>Cash<sup>17</sup></td> <td>20-40%</td> </tr> </table>	Australian shares	5-25%	International shares	0-20%	Emerging markets shares	0-10%	Australian fixed interest	15-35%	International fixed interest	10-30%	Global listed infrastructure	0-10%	Global real estate (REITs)	0-10%	Cash <sup>17</sup>	20-40%
Australian shares	5-25%																		
International shares	0-20%																		
Emerging markets shares	0-10%																		
Australian fixed interest	15-35%																		
International fixed interest	10-30%																		
Global listed infrastructure	0-10%																		
Global real estate (REITs)	0-10%																		
Cash <sup>17</sup>	20-40%																		

## INVESTMENT OPTION PROFILES

	DIVERSIFIED - CONSERVATIVE	DIVERSIFIED - BALANCED	DIVERSIFIED - BALANCED																																								
	PERPETUAL CONSERVATIVE GROWTH	PERPETUAL DIVERSIFIED GROWTH	PERPETUAL DIVERSIFIED REAL RETURN																																								
<b>Investment manager</b>	Perpetual Investment Management Limited	Perpetual Investment Management Limited	Perpetual Investment Management Limited																																								
<b>Risk level</b>	5 – Medium to high <sup>16</sup>	6 – High	5 – Medium to high																																								
<b>Suggested length of investment</b>	Three years or longer	Three years or longer	Five years or longer																																								
<b>Distribution frequency and dates</b>	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December	Quarterly – 31 March, 30 June, 30 September and 31 December																																								
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities</li> <li>outperform CPI + 3.5% pa (before fees and taxes) over at least two-year periods</li> <li>outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets</li> <li>outperform CPI + 4.5% pa (before fees and taxes) over at least three-year periods</li> <li>outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.</li> </ul>	<p>Targets a pre-tax return of 5% per annum above inflation<sup>21</sup> (before fees and taxes) over rolling five-year periods, while minimising downside risk.</p>																																								
<b>Investment approach</b>	<p>The fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash, enhanced cash and fixed income securities.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.<sup>3,9</sup></p>	<p>The fund invests in a diverse mix of growth, defensive and other assets.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.<sup>3,9</sup></p>	<p>The fund will invest in a diversified range of asset classes which are weighted according to the level of risk they contribute to the portfolio. Assets will be managed to effectively diversify these risk exposures. The combination of assets held by the fund at any time are those which we believe provide the greatest probability of achieving the target return over rolling five-year periods. Perpetual Investments may quickly adjust the fund's asset allocation to respond to changing market conditions and/or to take advantage of new opportunities.</p> <p>In managing the fund to meet its investment objective, the fund may implement a considerable amount of its exposures via derivatives, and may include alternative and private market assets.</p> <p>Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.</p>																																								
<b>Investment guidelines</b>	<table border="1"> <tr> <td>Australian shares<sup>18</sup></td> <td>0-25%</td> </tr> <tr> <td>International shares<sup>18</sup></td> <td>0-20%</td> </tr> <tr> <td>Property</td> <td>0-10%</td> </tr> <tr> <td>Fixed income<sup>19</sup></td> <td>15-65%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>5-55%</td> </tr> <tr> <td>Other assets<sup>20</sup></td> <td>0-30%</td> </tr> </table>	Australian shares <sup>18</sup>	0-25%	International shares <sup>18</sup>	0-20%	Property	0-10%	Fixed income <sup>19</sup>	15-65%	Cash and enhanced cash	5-55%	Other assets <sup>20</sup>	0-30%	<table border="1"> <tr> <td>Australian shares<sup>18</sup></td> <td>10-35%</td> </tr> <tr> <td>International shares<sup>18</sup></td> <td>10-30%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income<sup>19</sup></td> <td>10-55%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>0-30%</td> </tr> <tr> <td>Other assets<sup>20</sup></td> <td>0-30%</td> </tr> </table>	Australian shares <sup>18</sup>	10-35%	International shares <sup>18</sup>	10-30%	Property	0-15%	Fixed income <sup>19</sup>	10-55%	Cash and enhanced cash	0-30%	Other assets <sup>20</sup>	0-30%	<table border="1"> <tr> <td>Australian shares<sup>22</sup></td> <td>0-50%</td> </tr> <tr> <td>International shares<sup>22</sup></td> <td>0-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Global fixed income (including Australia)<sup>19</sup></td> <td>0-100%</td> </tr> <tr> <td>Commodities</td> <td>0-15%</td> </tr> <tr> <td>Other investments<sup>23</sup></td> <td>0-30%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>0-100%</td> </tr> <tr> <td>(Illiquid assets<sup>24</sup>)</td> <td>0-20%</td> </tr> </table>	Australian shares <sup>22</sup>	0-50%	International shares <sup>22</sup>	0-50%	Property	0-15%	Global fixed income (including Australia) <sup>19</sup>	0-100%	Commodities	0-15%	Other investments <sup>23</sup>	0-30%	Cash and enhanced cash	0-100%	(Illiquid assets <sup>24</sup> )	0-20%
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## INVESTMENT OPTION PROFILES

	DIVERSIFIED - GROWTH	DIVERSIFIED - GROWTH	DIVERSIFIED - GROWTH																																																
	BLACKROCK SCIENTIFIC DIVERSIFIED GROWTH	BLACKROCK TACTICAL GROWTH	MORNINGSTAR GROWTH REAL RETURN																																																
<b>Investment manager</b>	BlackRock Investment Management (Australia) Limited	BlackRock Investment Management (Australia) Limited	Morningstar Investment Management Australia Limited																																																
<b>Risk level</b>	6 - High	6 - High	6 - High																																																
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Seven years or longer																																																
<b>Distribution frequency and dates</b>	Quarterly - 31 March, 30 June, 30 September and 31 December	Half-yearly - 30 June and 31 December	Quarterly - 31 March, 30 June, 30 September and 31 December																																																
<b>Objective</b>	Aims to achieve superior investment performance through providing returns that exceed those of the neutral portfolio benchmark, comprising a portfolio of published indices approximately 30% of which represent interest bearing assets and 70% of which represent growth assets, before fees over rolling three-year periods.	Aims to outperform peer performance consistent with a growth-orientated investment strategy encompassing: <ul style="list-style-type: none"> <li>a broadly diversified exposure to Australian and international assets</li> <li>active asset allocation, security selection and risk management</li> <li>flexibility to deviate meaningfully from the strategic asset allocation to help manage total portfolio risk</li> </ul> The fund aims to outperform its benchmark indices <sup>25</sup> over a five-year rolling period before fees.	Aims to earn a rate of return that exceeds CPI increases by at least 3.5% pa over rolling seven-year periods. <sup>26</sup>																																																
<b>Investment approach</b>	BlackRock invests in various asset classes by investing in other managed investment schemes including those managed by BlackRock or other entities within the BlackRock Group. The fund invests across a range of active and passive investment strategies to construct the portfolio's strategic asset allocation. Each active strategy utilises a disciplined approach to investing that aims to add value over the strategic allocation and control for risk.	The fund aims to provide investors with a diversified exposure to the best investment teams and strategies that the BlackRock Group has globally within the context of an Australian based 'growth' investment portfolio.	An actively managed multi-asset fund with a long term average exposure of around 70% to growth assets such as shares, property and infrastructure and around 30% exposure to defensive assets such as cash and fixed interest. The fund will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The fund aims to deliver real returns whilst preserving capital over the targeted investment horizon. For select asset classes, Morningstar hedges out the exposure to currency in order to reduce the impact of exchange rate volatility on returns.																																																
<b>Investment guidelines</b>	<table border="1"> <tr><td>Australian shares</td><td>25-45%</td></tr> <tr><td>International shares</td><td>10-35%</td></tr> <tr><td>Emerging market shares</td><td>0-10%</td></tr> <tr><td>Australian fixed interest</td><td>0-25%</td></tr> <tr><td>International fixed interest</td><td>0-20%</td></tr> <tr><td>Global listed infrastructure</td><td>0-10%</td></tr> <tr><td>Global real estate (REITs)</td><td>0-10%</td></tr> <tr><td>Cash<sup>17</sup></td><td>0-20%</td></tr> </table>	Australian shares	25-45%	International shares	10-35%	Emerging market shares	0-10%	Australian fixed interest	0-25%	International fixed interest	0-20%	Global listed infrastructure	0-10%	Global real estate (REITs)	0-10%	Cash <sup>17</sup>	0-20%	<table border="1"> <tr><td>Australian shares</td><td>30%</td></tr> <tr><td>International shares</td><td>27%</td></tr> <tr><td>Emerging market shares</td><td>5%</td></tr> <tr><td>Global real estate (REITs)</td><td>5%</td></tr> <tr><td>Global listed infrastructure</td><td>5%</td></tr> <tr><td>Australian fixed interest</td><td>14%</td></tr> <tr><td>International fixed interest</td><td>9%</td></tr> <tr><td>Cash<sup>17</sup></td><td>5%</td></tr> <tr><td>(Foreign currency</td><td>30%)</td></tr> </table>	Australian shares	30%	International shares	27%	Emerging market shares	5%	Global real estate (REITs)	5%	Global listed infrastructure	5%	Australian fixed interest	14%	International fixed interest	9%	Cash <sup>17</sup>	5%	(Foreign currency	30%)	<table border="1"> <tr><td>Australian shares</td><td>0-60%</td></tr> <tr><td>International shares<sup>27</sup></td><td>0-60%</td></tr> <tr><td>Global property and infrastructure</td><td>0-40%</td></tr> <tr><td>Australian bonds</td><td>0-30%</td></tr> <tr><td>International bonds (hedged)</td><td>0-30%</td></tr> <tr><td>Alternative investments</td><td>0-25%</td></tr> <tr><td>Cash</td><td>0-45%</td></tr> </table>	Australian shares	0-60%	International shares <sup>27</sup>	0-60%	Global property and infrastructure	0-40%	Australian bonds	0-30%	International bonds (hedged)	0-30%	Alternative investments	0-25%	Cash	0-45%
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## INVESTMENT OPTION PROFILES

	DIVERSIFIED - GROWTH	DIVERSIFIED - GROWTH	DIVERSIFIED - GROWTH																																		
	PERPETUAL BALANCED GROWTH	PERPETUAL SPLIT GROWTH	SCHRODER BALANCED																																		
<b>Investment manager</b>	Perpetual Investment Management Limited	Perpetual Investment Management Limited	Schroder Investment Management Australia Limited																																		
<b>Risk level</b>	6 - High	7 - Very high	6 - High																																		
<b>Suggested length of investment</b>	Five years or longer	Five years or longer	Three years or longer																																		
<b>Distribution frequency and dates</b>	Quarterly - 31 March, 30 June, 30 September and 31 December	Yearly - 30 June	Half-yearly - 30 June and 31 December																																		
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments</li> <li>outperform CPI + 5.0% pa (before fees and taxes) over at least five-year periods</li> <li>outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.</li> </ul>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>achieve long-term capital growth through investment in a mix of international shares and Australian industrial shares and other securities with lower risk than 100% exposure to either asset class</li> <li>outperform a composite benchmark (before fees and taxes) comprising the S&amp;P/ASX 300 Industrial Accumulation Index (40%) and the MSCI World ex Australia Accumulation Index (AUD) (60%) over rolling three-year periods.</li> </ul>	<p>Aims to deliver an investment return of 5% pa above Australian inflation over rolling three-year periods. Inflation is defined as the Reserve Bank of Australia's Trimmed Mean, as published by the Australian Bureau of Statistics.</p>																																		
<b>Investment approach</b>	<p>The fund invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares.</p> <p>Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines.</p> <p>Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.<sup>3,9</sup></p>	<p>Perpetual Investments adopts a fundamental, bottom-up approach to stock selection focusing on quality companies. Perpetual Investments' priority is to select those companies that represent the best investment quality and are appropriately priced.</p> <p>Currency hedges may be used from time to time.</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.<sup>9</sup></p>	<p>The fund is a multi-asset portfolio investing in a selection of growth, defensive and balanced assets comprising Australian and international equities, property trusts, high yielding credit, fixed interest and cash. The composition of assets is balanced so that the overall portfolio can perform well across diverse economic and market conditions and not just rising markets.</p> <p>The fund targets 20% of global equities to be hedged, and all foreign currency in fixed income in the fund is hedged.</p> <p>Schroders view currency as an active investment decision and is seen as either a source of return or as a risk mitigation option. Any currency positions are viewed as active investment decisions - including the extent to which the fund is hedged (or otherwise) on its global exposures.</p>																																		
<b>Investment guidelines</b>	<table border="1"> <tr> <td>Australian shares<sup>18</sup></td> <td>10-50%</td> </tr> <tr> <td>International shares<sup>18</sup></td> <td>10-50%</td> </tr> <tr> <td>Property</td> <td>0-15%</td> </tr> <tr> <td>Fixed income<sup>19</sup></td> <td>0-45%</td> </tr> <tr> <td>Cash and enhanced cash</td> <td>0-30%</td> </tr> <tr> <td>Other assets<sup>20</sup></td> <td>0-30%</td> </tr> </table>	Australian shares <sup>18</sup>	10-50%	International shares <sup>18</sup>	10-50%	Property	0-15%	Fixed income <sup>19</sup>	0-45%	Cash and enhanced cash	0-30%	Other assets <sup>20</sup>	0-30%	<table border="1"> <tr> <td>International shares and Australian industrial shares</td> <td>80-100%</td> </tr> <tr> <td>Cash</td> <td>0-20%</td> </tr> </table>	International shares and Australian industrial shares	80-100%	Cash	0-20%	<table border="1"> <tr> <td>Australian equities</td> <td>20-40%</td> </tr> <tr> <td>International equities</td> <td>20-40%</td> </tr> <tr> <td>Property trusts</td> <td>0-8%</td> </tr> <tr> <td>Australian fixed income</td> <td>5-35%</td> </tr> <tr> <td>Higher yielding credit</td> <td>0-15%</td> </tr> <tr> <td>Objective based</td> <td>0-20%</td> </tr> <tr> <td>Alternatives</td> <td>0-10%</td> </tr> <tr> <td>Global investment grade credit</td> <td>0-15%</td> </tr> <tr> <td>Cash</td> <td>0-30%</td> </tr> </table>	Australian equities	20-40%	International equities	20-40%	Property trusts	0-8%	Australian fixed income	5-35%	Higher yielding credit	0-15%	Objective based	0-20%	Alternatives	0-10%	Global investment grade credit	0-15%	Cash	0-30%
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## INVESTMENT OPTION PROFILES

	ALTERNATIVES
	ASPECT DIVERSIFIED FUTURES
<b>Investment manager</b>	Aspect Capital Limited
<b>Risk level</b>	6 – High
<b>Suggested length of investment</b>	Five years or longer
<b>Distribution frequency and dates</b>	Half-yearly – 30 June and 31 December
<b>Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>• generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework</li> <li>• provide a return greater than the Reserve Bank of Australia cash rate over rolling three-year periods after fees and taxes.</li> </ul>
<b>Investment approach</b>	<p>Aspect takes a quantitative and systematic approach to investment management. Aspect has no market sector or directional preference, and markets are selected on the basis of diversification, liquidity and transaction costs. Aspect's trend-following systems have exposure to over 180 of the most liquid global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative markets. These trend-following systems employ a quantitative process to collect, process and analyse market data in order for the model to determine a view of the trend following opportunities in each market in the portfolio. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby allowing a wide range of opportunities to be exploited and maximising expected long-term risk-adjusted returns. The fund aims to minimise unintentional currency exposure.</p> <p>Global financial and commodity futures, currency forwards and (through an unlisted unit trust) other derivative contracts are used to establish the market exposure of the fund. The face value of the fund's combined long and short positions will frequently be greater than 100% of the net asset value of the fund and, as a result, the fund will often be leveraged. The fund receives earnings from cash allocations for the benefit of investors.</p>
<b>Investment guidelines</b>	Cash, futures and forwards      100%

## FOOTNOTES TO INVESTMENT OPTION PROFILES

- 1 The ranges are indicative only. The fund will be rebalanced within a reasonable period of time should the exposure move outside these ranges. Investments in these sectors may include but are not limited to domestic and global fixed and floating rate instruments issued by banks, corporates, governments, asset-backed securities such as residential mortgage backed securities, bank loans and other credit related securities. The fund may also have some exposure to exchange traded funds and hybrid securities.
- 2 May include holdings of sub-investment grade instruments.
- 3 The use of derivatives may include, but is not limited to, managing actual and anticipated interest rate and credit risk, currency and credit exposure. They may also be used for hedging, arbitrage, as a replacement for trading a physical security and for managing the duration of the fund.
- 4 Investment grade is a term given to securities that have a high probability of payment of interest and repayment of principal.
- 5 Sub-investment grade is a term given to securities where there is a higher risk that the issuer may not be able to meet interest payments or the repayment of principal if difficult conditions arise. The fund typically invests in investment grade securities, but the investment manager may increase sub-investment grade exposure under favourable economic conditions. Sub-investment grade securities may include, but are not limited to, non-rated securities, hybrids, mortgages, mezzanine mortgages and private debt.
- 6 Interest rate duration is a measure, expressed as a number of years, of the sensitivity of the principal value of a fixed income investment to a change in interest rates. Generally, the closer duration is to zero the less interest rate risk there is in the fund.
- 7 Maximum aggregate global exposure will not exceed 50%.
- 8 Maximum aggregate exposure to high yield will not exceed 20%.
- 9 The use of derivatives may include, but is not limited to:
  - adjusting currency exposure (where appropriate)
  - hedging selected shares or securities against adverse movements in market prices
  - gaining exposure to relevant indices
  - gaining short-term exposure to the market
  - building positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up
  - generating additional income
  - creating a short exposure to a stock for underlying funds authorised to take net negative positions.
- 10 The underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure (or 10% exposure in the case of the underlying fund for the Perpetual Industrial Share investment option) to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.
- 11 The gearing level is the underlying fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the underlying fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowing. If the underlying fund's gearing level exceeds 60% (due to withdrawals or negative market movements), Perpetual Investments will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the underlying fund's assets.
- 12 The net market exposure is the value of the underlying fund's long positions minus the value of its short positions. The underlying fund primarily holds short positions in Australian shares but may have up to 10% exposure to short positions in global shares.
- 13 Cash may be held in Australian dollars (AUD) or foreign currencies.
- 14 The fund may invest in bullion and other physical commodities, but the total value of such investments at the time of acquisition will not exceed 20% of the NAV of the fund.
- 15 Cash and cash equivalent investments may be held in Australian dollars (AUD) or foreign currencies and typically represents less than 40% of the fund's NAV.
- 16 Irrespective of the underlying fund name, Perpetual advises that this investment option has a Standard Risk Measure risk band rating above 3. For risk band 4, it has been estimated that the relevant investment options may have 2 to less than 3 negative annual returns over any 20-year period. For risk band 5, it has been estimated that the relevant investment options may have 3 to less than 4 negative annual returns over any 20-year period.
- 17 The cash allocation may include exposure to underlying funds through which active asset allocations are made. Capital allocation to cash may include cash, cash equivalents (including other BlackRock managed investment schemes) and allocation to investment strategies that have a cash benchmark, which may be used to implement security selection and active asset allocation views.
- 18 The investment option may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the investment option invests in Perpetual Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the investment option's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
- 19 This investment option may invest in fixed income funds that allow gearing.
- 20 Perpetual Investments may allocate up to 30% of the portfolio to other assets, which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the investment option's diversification and may help reduce volatility.
- 21 Inflation is defined as the quarterly All Groups Consumer Price Index (CPI), as measured and published by the Australian Bureau of Statistics.
- 22 International shares may include some exposure to Australian shares and vice versa. The combined exposure to Australian and international shares is subject to a maximum of 70%.
- 23 Other investments may include, but are not limited to, specialist credit, hedge fund replication strategies, insurance-linked strategies and structured products and private market investments.
- 24 Illiquid assets are defined as investments (within the underlying fund's allocations) where no formal secondary exchange exists, such as units in unlisted property.
- 25 The benchmark indices include the S&P/ASX 300 Accumulation Index, MSCI World Index ex-Australia Net TR Index (unhedged and hedged in AUD), FTSE EPRA/NAREIT Developed Net TR Index (unhedged), Bloomberg AusBond Composite 0+ Yr Index, Barclays Global Aggregate 500 Index (hedged in AUD), Bloomberg AusBond Bank Bill Index, J.P. Morgan EMBI Global Core Index (hedged in AUD), FTSE Developed Core Infrastructure Net TR Index (unhedged) and the MSCI Emerging Markets IMI ex Tobacco ex Controversial ex Nuclear Weapons Net TR Index (unhedged).
- 26 Investment objective is expressed before the management fee, expense recoveries and taxation (that is, performance is measured relative to the benchmark before fees and costs and taxes are deducted).
- 27 Combined hedged and unhedged international equity exposure into one asset class. Retained long-term average hedge ratio of 50%.

# ADDITIONAL INVESTMENT INFORMATION

## INVESTMENT MANAGERS

The investment manager in the investment option profiles on pages 5-20 is the investment manager of the underlying fund as at the issue date of this Investment Book. We review the investment managers regularly and may replace them at any time. We will advise you in writing if this affects you.

As a result, the investment managers may vary during the life of this Investment Book. Details about the current investment managers at any time are available at our website or can be obtained free of charge by phoning us.

## ENVIRONMENTAL, SOCIAL AND ETHICAL FACTORS AND LABOUR STANDARDS

Increasingly, underlying investment managers for the investment options (including Perpetual Investments) are developing their own policies regarding their method for considering environmental, social (including labour standards) and governance (ESG) factors which may influence the purchase, sale or retention of an individual investment.

We consider these policies when choosing investment managers only to the extent that they may have an effect on an investment manager's style and investment performance. We don't consider these factors by attempting to apply ethical standards, but rather we look to ensure that managers maintain an investment framework that will take all relevant factors into account when assessing the current and potential future value of individual investments. We will neither choose nor exclude a manager solely on their ESG policies/practices but it will contribute to our overall assessment of a manager's style and capability.

Perpetual Investments is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). PRI signatories undertake to consider environmental, social and corporate governance (ESG) factors in their investment decision-making and ownership practices.

Where Perpetual Investments is the investment manager (apart from Perpetual Ethical SRI investment option), consideration of ESG factors and labour standards does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, Perpetual Investments' investment managers consider those ESG risks and labour standards only to the extent that they are relevant to the current or future value of the investment. For share investments, Perpetual Investments may also actively engage with companies to encourage them to improve their ESG practices or labour standards where Perpetual Investments believes it is in the interest of a fund's investors.

## PERPETUAL ETHICAL SRI INVESTMENT OPTION

Perpetual Investments evaluates companies that meet the investment approach, set out in the investment option profiles on page 11 of this Investment Book, on a range of environmental, social, governance and ethical issues and labour standards to determine their suitability for inclusion/retention in, or divestment from, this investment option's portfolio. Perpetual Investments seeks to invest in quality companies that have satisfied its range of ethical and socially responsible investment criteria.

There are two main steps to the process, namely ethical exclusions and socially responsible investments (SRI) screening, utilising research from external specialists.

### ETHICAL EXCLUSIONS

Perpetual Investments doesn't invest in companies that derive a material proportion of their revenue from:

- the manufacture or sale of alcohol or tobacco
- the operation of gambling facilities or the manufacture of gambling equipment
- fossil fuels (upstream)
- uranium and nuclear
- animal cruelty (cosmetic testing)
- genetic engineering
- pornography
- armaments (including weapons).

### SRI SCREENING

Companies remaining after the ethical exclusions are then subject to SRI screening to evaluate how their business practices impact society and the environment. The SRI screening involves three steps:

1. **Negative scoring:** Companies are scored on negative environmental, social and governance factors in relation to a number of criteria including the environment, labour standards, human rights, supply chain and corporate misconduct.
2. **Positive scoring:** Companies are scored on positive environmental, social and governance factors in relation to a number of criteria including environmental improvement, labour standards, charity commitment and ethics.
3. **Universe inclusion:** Scores from all negative and positive screens are then combined. Companies with negative total scores are excluded while other companies become allowable investments.

The investment option's investments are regularly reviewed to determine whether they continue to pass the ethical SRI screening process when updated information is received. If Perpetual Investments becomes aware that the investment option is invested in a company that no longer passes the ethical SRI screening process, the investment will be sold as soon as practical, in an orderly, price-sensitive manner.

Where a company is not covered by Perpetual Investments' research provider, Perpetual Investments may invest in the stock (following preliminary internal analysis) until coverage is initiated. Should the stock fail the screening process when coverage commences, the stock will be sold as described above.

In rare circumstances where an issue that has caused an exclusion deemed to be minor, Perpetual Investments may override the exclusion for that issue, or for a period of time while the company rectifies the issue. These decisions are made independently of the investment option's portfolio manager to ensure conflicts of interest do not occur.

Emerging issues are monitored to ensure that the screening criteria remains relevant and in the spirit of the investment option. From time to time, and with the advice of its research provider, Perpetual Investments may alter the screening criteria to take account of these emerging issues. Perpetual Investments may engage with companies that are at risk from emerging issues to encourage them to consider the issue and improve their practices. Perpetual Investments can modify the screening process for the underlying fund at any time.



CERTIFIED BY RIAA

The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that the Perpetual Ethical SRI investment option adheres to the strict disclosure practices required under the Responsible Investment Certification Program for the category of Fund Manager. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Perpetual Ethical SRI investment option's methodology, performance and stock holdings can be found at [www.responsibleinvestment.org](http://www.responsibleinvestment.org), together with details about other responsible investment products certified by RIAA.<sup>1</sup>

1 The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

## FUND HOLDINGS

The RIAA requires certified funds to publicly disclose and update the full holdings for all assets under management on a half-yearly basis.

A document containing the latest 'Full holdings disclosure' for Perpetual Ethical SRI investment option is available at our website (see 'Other documents' in the relevant Features Book for details) or you can obtain a copy free of charge by contacting us.

## ADDITIONAL INFORMATION ABOUT CERTAIN 'COMPLEX' FUNDS

ASIC requires the following specific information be provided for certain funds that pursue complex investment strategies (eg via use of leverage, derivatives and short selling) and/or have other characteristics (eg complex structures and/or performance fees) that may result in increased risk:

- periodic reporting
- investment strategy
- investment manager
- fund structure
- valuation, location and custody of assets
- liquidity
- leverage
- derivatives
- short selling
- withdrawals.

To the extent that any of the above details about the underlying funds for the following investment options are not already disclosed in the PDSs (including this Investment Book) for Perpetual WealthFocus Investment Advantage, such additional information, which also forms part of these PDSs, will be available at our website (see the relevant PDS for details) or you can obtain a copy free of charge by contacting us:

- Perpetual SHARE-PLUS Long-Short
- Platinum Asia
- Platinum International
- BlackRock Tactical Growth
- Aspect Diversified Futures.

This additional information is also indirectly relevant to Super Plan and Pension Plan members investing in these investment options since they ultimately invest into the same underlying funds. The incorporated documents prepared for Perpetual WealthFocus Investment Advantage Fund investors are therefore also made available at our website for the information of Perpetual WealthFocus Superannuation Fund members (see 'Other documents' in the relevant Features Book for details) or you can obtain a copy free of charge by contacting us.

## **CHANGES TO THE INVESTMENT OPTIONS**

Features of the investment options (including investment manager, investment objective, approach and guidelines for the underlying funds) can change.

We can also open, close or terminate investment options or replace the investment manager.

Updated details reflecting any significant changes to the investment options that are not materially adverse will be available at our website. You can also obtain a paper copy of any updated information free of charge, upon request.

## **ASSET ALLOCATIONS AND INVESTMENT PERFORMANCE**

An investment in an investment option is not a direct investment in the underlying fund. Consequently, the following may differ from that of the underlying fund:

- asset allocations – the cash holding in an investment option may be greater than that of the corresponding underlying fund as we may retain cash to ensure more timely processing of withdrawals
- investment performance – due to factors such as valuation timing differences, differences in fees and charges, retention of distributions (for liquidity purposes) and higher cash holdings, the performance of an investment option may not track that of the corresponding underlying fund.

## **CONSENTS**

All companies mentioned in the PDS (including the investment managers of the underlying funds) have consented to the statements made by or about them being included in the PDS, in the form and context that they appear.

The companies that have consented have not withdrawn their consent before the issue date of the PDS and have not authorised or caused the issue of the PDS.

## **CONTACT DETAILS**

For further information, or a copy of any of our product disclosure statements, please contact Perpetual.

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### **EMAIL**

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