

Minutes

ANNUAL MEMBERS' MEETING PERPETUAL WEALTHFOCUS SUPERANNUATION FUND

Date:	Thursday 03 November 2022
Time:	1:00pm – 2:00pm
At:	Level 18 Angel Place, 123 Pitt Street, Sydney NSW 2000 and via live stream
Directors in attendance:	Janet Torney, Chair Kerry Adby Jocelyn Furlan (via Teams) Mark Smith
Apologies:	Chris Green
Responsible Officers and Speakers in attendance:	Catherine Payne, Head of Office of the Superannuation Trustee Amanda Gazal, Chief Operating Officer (via Teams) Nicholas Buchanan, Auditor, KPMG James Holt, Director Investment Solutions at Perpetual Investments Annie Rozenauers, Global Head of Product
Management in attendance:	Claudia Rososinski, PSL Company Secretary Gordon Thompson, Senior Manager, Superannuation & Retirement Solutions Ilias Kotronakis, Senior Manager, Platform & Services Products
Apologies:	Sam Mosse, Chief Risk Officer

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

		PRESENTER
The meeting commenced at 1:00pm.		
1. WELCOME AND INTRODUCTION		Janet Torney, Chair
<p>The Chair, Janet Torney welcomed and thanked all those who joined online for the Annual Member Meeting of the Perpetual Select Superannuation Fund (Fund).</p> <p>The Chair introduced Mark Smith who delivered the Acknowledgement of Country. He affirmed Perpetual's commitment to Reconciliation.</p> <p>The Chair introduced the members of the Board, other Responsible Officers and the Fund's external auditor from KPMG.</p> <p>The Chair explained that the Annual Member Meeting was an opportunity for members to learn more about the Fund, the external investment environment and to ask questions. She invited members to continue to submit their questions through the event streaming page.</p> <p>The Chair noted that responses to all questions would be included with the meeting minutes and made available on the Perpetual website within the next 30 days.</p>		

2. CHAIR'S ADDRESS

Janet Torney, Chair

The Chair thanked members for their continued trust in Perpetual Superannuation Limited (**PSL**) to manage their retirement savings. Perpetual Super's strategy remains our anchor and focus in delivering the best outcomes for our members. To recap:

- Our *purpose* is enduring prosperity for the lifetime of our members,
- Our *vision* is to be the trusted provider of market-leading superannuation solutions in our chosen segments,
- Our *values* are excellence, integrity and partnership, and
- Our *strategic objectives* are Enable, Engage, Protect and Sustain.

The Chair highlighted:

- The difficulty of the current uncertain times and the steps taken by Perpetual to protect members in these circumstances;
- PSL's long-term strategy remains focussed on delivering the best outcomes for members with PSL's purpose being the enduring prosperity for the lifetime of our members and our vision to be the trusted provider of market-leading superannuation solutions in our chosen segments. PSL's four strategic objectives that have been set to deliver on its purpose and vision are Enable, Engage, Protect and Sustain, each of which have strategic initiatives and measures of success;
- Environmental, Social and Governance (ESG) issues are of continuing importance to members and are now embedded into the Risk Management Framework and the investment manager monitoring of the Fund.
- Key activities of the Fund for the 2021-22 financial year, noting:
 - Regulatory changes and reforms that have been implemented to assist members;
 - The release of PSL's Retirement Income Strategy which is focused on providing members with access to information and tools to assist members to maximise retirement income;
 - The differing approach to accumulation and pension phases in market downturns;
 - The change of custodial service provider; and
 - Enhancements to myPerpetual as part of the increased investment in the member experience.

3. INVESTMENT PERFORMANCE AND MARKET UPDATE

James Holt, Director of Investment Solutions at Perpetual Investments, presented on the key investment influences impacting the Fund's investment options including:

- Rising inflation which has not been seen in the last 20 years;
- The unusual current investment environment where both bond and equity markets are selling off, with bond yields surging for the first time in 40 years;
- The outperformance of Value vs Growth styles in equity portfolios over the last year, a reversal from the previous number of years.

Emphasis was provided on looking at long term fund performance and not focussing on the short term.

James Holt,
Director of
Investment
Solutions at
Perpetual
Investments

4. MEMBER SERVICES AND EXPERIENCE UPDATE

Annie Rozenauers,
Global Head of
Product at
Perpetual Limited

Annie Rozenauers, Global Head of Product, gave an overview of the work being done on PSL's Retirement Income Strategy and the results of the recent survey conducted on members approaching retirement and trends observed.

She advised that over the last year there had been significant effort dedicated to enhancing Member Services, including:

- Additional self-service functionality to the myPerpetual portal including current and prior year concessional and non-concessional contribution reporting, and future updates underway to allow for pension payment changes online;
- Target Market Determinations being completed for all products in line with regulatory requirements and facilitating members receiving products that are consistent with their expected investment objectives and individual situation; and
- Improving call centre services and responsiveness given the high volume of written and verbal enquiries. Approximately 40,000 calls and 24,000 emails are received and responded to each year. The call centre continues to be highly interactive and the team work hard to deliver a consistent high service level to members.

There was a presentation of a short video on Perpetual's digital member experience platform.

5. MEMBERS' QUESTIONS AND ANSWERS

Janet Torney, Chair

The Chair introduced the Q&A panel session of the Annual Member Meeting.

Members were able to submit questions as part of the Annual Member Meeting registration process and throughout the live event via the online chat facility. There was no filtering of questions.

Answers to member questions are summarised below noting that only the first names of those asking the questions have been provided for privacy reasons

Question	Answer	Respondent
Questioner: Robert Are our investments restricted in any way?	No, other than the general restrictions on contribution limits and withdrawals. WealthFocus has 43 investment options and members are able to invest in those options subject to a minimum holding of \$1000 in each option. The Perpetual Geared Australian Share option is restricted to no more than 50% of the total portfolio for super clients and 30% for pension clients. This is due to the volatility of this investment option as its leverage amplifies the returns, both positive and negative.	Annie Rozenauers

<p>Questioner: Elizabeth</p> <p>Do you plan to change auto rebalance for Geared Fund only if investments exceed 30%, otherwise auto rebalance is not required if investments in Geared Fund is under 30%?</p>	<p>There are investment limits on the Perpetual Geared Australian Share option as it is highly volatile. Members who hold this investment option have auto-rebalancing on their account which resets the portfolio to a set investment strategy at a set frequency during the year.</p> <p>We are not planning on changing the auto-rebalancing so that it only applies to member holdings above the limit in the Perpetual Geared Australian Share option. We have no automated way of applying auto-rebalancing to these accounts should the holding in the Perpetual Geared Australian Share option reach the maximum limit.</p>	<p>Annie Rozenauers</p>
<p>Questioner: Lachlan</p> <p>I retired in 2021. Is it okay to take funds out of the Wealth Focus superannuation fund via benefits payments, rather than move funds to a pension fund and access them through the pension fund?</p>	<p>Congratulations on your retirement.</p> <p>You may keep your money in the Perpetual WealthFocus Super Plan post retirement. If you meet a condition of release, you may make withdrawals as required.</p> <p>In the Perpetual WealthFocus Pension Plan, the investment earnings are generally not taxed but there are limits on the maximum amount that can be transferred into the Pension Plan and you must draw an income stream throughout the year.</p>	<p>Annie Rozenauers</p>
<p>Questioner: Caralyn</p> <p>Full Morningstar review on Magellan global fund.</p>	<p>Magellan have gone through significant changes following the departure of co-founder and Chief Investment Officer, Hamish Douglas.</p> <p>This prompted the closing of the Magellan investment option on WealthFocus to new members in February 2022.</p> <p>After reviewing the changes that Magellan had made to their investment and executive teams, the investment option was reopened to members in August 2022.</p>	<p>Kerry Adby</p>
<p>Questioner: Aftab</p> <p>Fund is decreasing why? Should I think to change my fund?</p>	<p>We cannot provide specific advice as we do not know your circumstances, we will follow up with you after this meeting.</p> <p>There are two different ways that we can consider your question.</p> <ul style="list-style-type: none"> • If you are looking at negative investment returns, it has been a difficult investment environment and all the major asset classes have had poor performance recently. This is why we focus on the overall longer-term investment performance of investment options in WealthFocus. • There has also been a lot of talk about the optimal Fund size. This largely relates to scale of superannuation funds. Whilst Perpetual funds are smaller than a number of other super funds, they have the backing of the Perpetual Group which has nearly \$90b in assets under management as at September 2022 and a comprehensive operating structure. 	<p>Janet Torney</p>

6. CLOSURE

Janet Torney, Chair

The Chair thanked members for their participation and declared the meeting closed at 1:43p.m.

SIGNED BY:

A handwritten signature in black ink that reads "Janet Torney". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

CHAIR JANET TORNEY

DATE: 08 DECEMBER 2022

The Chair approved the affixation of her electronic signature