

Perpetual

# PERPETUAL WEALTHFOCUS

## OUR OBJECTIVE WITH PERPETUAL WEALTHFOCUS IS TO OFFER OUR CLIENTS

- A high quality investment menu of managed funds
- The unique tax benefits of WealthFocus Investment Advantage - such as being able to switch investments without incurring Capital Gains Tax and
- Value for money insurance through WealthFocus Super.

We are making a number of changes and improvements to WealthFocus which will be reflected in our new Product Disclosure Statements available from 21 June 2013.

These include new investment choices, the introduction of standard risk measures, changes to expense recoveries and improvements to our insurance offering.

## NEW INVESTMENT CHOICES

We regularly review our investment menu to ensure we provide a quality range of investment strategies and managers. Following the latest review, we have decided to make the following addition of a new Investment Option, manager replacements, fund closures and wind-ups effective 21 July 2013.

## REPLACEMENTS

CURRENT INVESTMENT OPTION	MANAGEMENT COST <sup>1</sup>	NEW INVESTMENT OPTION	MANAGEMENT COST <sup>1</sup>	BUY/SELL SPREAD
All Star IAM Australian Share	2.14%	CFS Equity Income	2.25%	0.40%/0.0%
BlackRock Scientific International Equity	2.15%	Grant Samuel Epoch Global Equity Shareholder Yield (unhedged)	2.15%	0.40%/0.0%
GMO Global Equity	2.15%	Magellan Global	2.38%	0.20%/0.0%

## NEW INVESTMENT OPTION

INVESTMENT OPTION	OBJECTIVE AND STRATEGY
Aspect Diversified Futures	<b>Objective</b> To generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework.
Asset Class: Alternative	<b>Strategy</b> Aspect takes a quantitative and systematic investment approach. Aspect's trend-following systems trade in over 120 of the most liquid global futures and forward markets and employ a fully automated system to process and analyse market data as well as idiosyncratic non-price data in order to identify and exploit directional moves (or 'trends') in markets. By maintaining comparatively small exposures to any individual contract, Aspect achieves sector and contract diversification. The option aims to minimise unintentional currency exposure.

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## FUND CLOSURES AND WIND-UPS

INVESTMENT OPTION	SUCCESSOR INVESTMENT OPTION (SUPER AND PENSION CLIENTS)
ING Managed Growth	Perpetual Balanced Growth
BlackRock Indexed Australian Listed Property	Vanguard Australian Property Securities Index

The management fees of the Investment Options and their successor Investment Options are the same.

Details of the new and successor Investment Options are shown in the following table.

MANAGER DESCRIPTION	INVESTMENT APPROACH	INVESTMENT GUIDELINES
<b>CFS EQUITY INCOME (DISTRIBUTION FREQUENCY QUARTERLY)</b>		
Colonial First State (CFS) is the largest Australian based investment manager, with a growing presence in selected international markets. CFS is committed to delivering quality investment solutions which enhance the wealth of investors.	CFS Equity Income focusses on income generation by investing in Australian shares. The option uses derivatives to generate additional income and adjust the risk return characteristics of the portfolio and individual holdings. In the selection of Australian shares, the option utilises CFS' Core Equity investment process, which focusses on companies that have been mispriced by the market. Suitable companies are identified by detailed fundamental research.	Australian shares: 0-100% Cash: 0-100%
<b>GRANT SAMUEL EPOCH GLOBAL EQUITY SHAREHOLDER YIELD (UNHEDGED) (DISTRIBUTION FREQUENCY QUARTERLY)</b>		
Epoch is a New York based boutique investment manager formed in 2004 and acquired by TD Bank Group in March 2013. Epoch's Shareholder Yield strategy focuses on companies generating free cash flow run by management committed to deploying that cash flow for the benefit of shareholders through dividends, share repurchases and debt reduction. Epoch define these uses of free cash flow (dividends, share buybacks and debt reductions) as "Shareholder Yield".	The fund aims to generate superior risk adjusted returns by building a portfolio of high quality global companies with attractive income and capital appreciation potential. The fund seeks to invest in a diversified portfolio of global companies with strong and growing free cash flow. Companies in the portfolio possess managements that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction – the key components of shareholder yield.	International shares: 90-100% Cash: 0-10%
<b>MAGELLAN GLOBAL (DISTRIBUTION FREQUENCY YEARLY)</b>		
Magellan Asset Management Limited ('MAM') is a boutique investment funds management business based in Sydney, Australia and is the sole operating subsidiary of Magellan Financial Group ('MFG'). MFG was formed and listed on the ASX in November 2006. MAM has established globally-focused investment funds for wholesale and retail investors. The strategies offered are global equities and global infrastructure securities.	The fund primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash. The fund can use foreign exchange contracts to facilitate settlement of stock purchases. It is not the Investment Manager's intention to hedge the foreign currency exposure of the fund arising from investments in overseas markets.	Equities: 80-100% Cash: 0-20%
<b>PERPETUAL BALANCED GROWTH (DISTRIBUTION FREQUENCY QUARTERLY)</b>		
Perpetual Investments is one of Australia's most highly regarded investment fund managers offering a broad range of products for personal investment, superannuation and retirement to individuals, advisers and institutions. Perpetual has strong investment capabilities across a range of asset classes including equities, fixed income, global and diversified strategies.	Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments). Tactical asset allocation strategies may be applied. This process involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Currency hedges may be used from time to time as well as derivatives and exchange traded funds for managing each asset class.	Australian Shares: 10-50% International shares: 10-50% Property: 0-15% Fixed income: 5-35% Cash and enhanced cash: 0-30% Other investments: 0-30%

MANAGER DESCRIPTION	INVESTMENT APPROACH	INVESTMENT GUIDELINES
<b>VANGUARD PROPERTY SECURITIES INDEX (DISTRIBUTION FREQUENCY QUARTERLY)</b>		
Vanguard Investments Australia Ltd (Vanguard) - is a wholly owned subsidiary of The Vanguard Group, Inc. (Vanguard Group). The Vanguard Group, which is based in the United States, manages money for individual and institutional investors with over A\$1.7 trillion in funds under management as at 31 March 2011. The Vanguard Group specialises in providing high quality, low cost investment funds and has a particular expertise in index fund management, having established the world's first public offer index fund in 1976. Vanguard Investments Australia was established in 1996, and brings together the skills of its team of Australian investment professionals with the financial strength and expertise of one of the world's largest investment management companies. Vanguard has established a reputation in Australia as an index specialist, managing over \$80 billion in index funds as at 31 March 2011.	The option will hold all of the property securities in the index (at most times) allowing for individual security weightings to vary marginally from the index from time to time. The option may invest in property securities that have been or are expected to be included in the index.	Australian property securities: 100%

## CHANGES TO FUND NAMES AND MANAGERS

There have been a number of changes in fund names and managers made by the managers of the underlying funds offered on WealthFocus. These changes will be updated as part of the new Product Disclosure Statements and investor statements and the website will reflect the new names from 21 June 2013.

## CHANGES TO FUND NAMES AND MANAGERS

CURRENT INVESTMENT OPTION NAME	NEW INVESTMENT OPTION NAME	CURRENT INVESTMENT MANAGER	NEW INVESTMENT MANAGER
ING Diversified Fixed Income	OnePath Diversified Fixed Interest	ING Investment Management Limited	PIMCO Australia Pty Ltd
ING Tax Effective Income	OnePath Tax Effective Income	ING Investment Management Limited	UBS Global Asset Management (Australia) Ltd
AXA Global Equity Value	AMP Capital Global Equity Value	AXA Australia Investment Management Limited	AllianceBernstein Australia Limited
Advance Imputation	Maple-Brown Abbott Imputation	Advance Asset Management Limited	Maple-Brown Abbott Limited
MFS Global Equity	n/a	BNP Paribas Investment Partners (Australia) Limited (Massachusetts Financial Services)	MFS Institutional Advisors, Inc
Perpetual International Share	n/a	Perpetual	Wellington Management Company, LLP

## STANDARD RISK MEASURES

Standard risk measures are a risk classification based on the estimated number of negative annual returns over any 20 year period. We have engaged a specialist investment consultant to classify each of the Investment Options into one of the seven risk bands shown in the following table. The risk band for each Investment Option is available from the new product disclosure statements or from our website.

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

## EXPENSE RECOVERIES

We are permitted to be reimbursed from the Investment Options for the operating expenses incurred in the day-to-day operations of the Investment Options (such as audit fees, regulatory costs and the cost of offer documents). From 1 July 2013, a proportion of these costs, set at 0.03% pa<sup>2</sup>, will be added to the management costs of the Investment Options (other than suspended Investment Options).

## PERFORMANCE FEES

The following Investment Options may invest in underlying funds that charge performance fees. If these performance fees occur, they will be an additional cost to you.

- Perpetual Balanced Growth
- Perpetual Conservative Growth
- Perpetual Diversified Growth

## INSURANCE IMPROVEMENTS

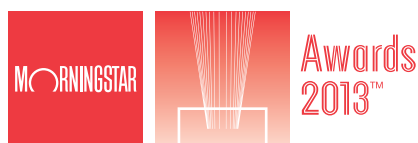
A number of insurance features have been improved, including doubling the maximum duration of cover for maternity/paternity leave to 24 months, expanded options to increase cover at certain life-stage events that occur such as death of a spouse or at specified ages, and addition of an agreed value continuation option for salary continuance insurance. These improvements will apply to all current WealthFocus policies.

BENEFIT	NEW TERMS
Leave without pay	If an employer provides leave without pay, including maternity and paternity leave, cover may continue for up to 24 months.
Salary continuance agreed value continuation option	Agreed value continuation option available in the event of a claim, subject to continuing employment criteria.
Option to increase cover upon specified life-stage events without further medical evidence required	<p>Death and Total and Permanent Disability – additional life-stage events:</p> <ul style="list-style-type: none"> <li>• Death of a spouse</li> <li>• Member attaining age 40 or 50</li> <li>• Member completing their first graduate degree.</li> </ul> <p>Salary Continuance Insurance – new lifestage events for permanent employees:</p> <ul style="list-style-type: none"> <li>• Marriage or divorce</li> <li>• Turning age 30, 40 or 50</li> <li>• Birth or adoption of a child</li> <li>• Child turning age 12 or commencing private school</li> <li>• Salary increase of more than \$10,000 per annum</li> <li>• attaining five years' membership of the Super Plan with Salary Continuance cover</li> <li>• Taking out or increasing a first mortgage over your principal residence</li> <li>• Death of a spouse</li> <li>• Completing first graduate degree</li> <li>• Employment status changes from part time to full time.</li> </ul>

BENEFIT	NEW TERMS
Interim accident cover for death and total and permanent disability while application pending	The lesser of the sum applied for and \$2,000,000.
Rehabilitation expenses	No payment limit – at the determination of insurer.

## PERPETUAL AWARDED FUND MANAGER OF THE YEAR

Perpetual Investments has been named Australian Fund Manager of the Year by Morningstar in its Morningstar Awards 2013. In addition, Perpetual was won the category awards for Multi-Sector Australia and Emerging Manager Australia for the Perpetual SHARE-PLUS Long-Short Fund. It was also a finalist in the Domestic Equities Australia category.



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- 1 Management Cost excluding abnormal operation expenses and performance fees.
- 2 For the Perpetual International Share Investment Option, offered in Perpetual WealthFocus Investment Advantage, the current expense recoveries capped at 0.05%pa will increase to 0.08%pa.

This information has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL 234426 and Perpetual Superannuation Limited (PSL) ABN 84 008 416 831, AFSL 225246, RSE L0003315. It is general information only and is not intended to provide you with financial advice. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The relevant product disclosure statement issued by PIML or PSL should be considered before deciding whether to acquire or hold units in the fund/s. The product disclosure statements can be obtained by calling 1800 062 725 or visiting our website [www.perpetual.com.au](http://www.perpetual.com.au). No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital. The information contained in this document is believed to be accurate at the time of compilation. 1543\_WFPDSI\_0413

## MORE INFORMATION

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