

<insert date>

<Preferred Name>

<Care Of>

<Address Line 1>

<Address Line 2>

<Suburb> <State Code> <Post Code>

<Country>

Client number: <Client ID>

Account number: <Account Number>

<Salutation>

### **Changes to the WealthFocus Perpetual Split Growth Investment Option**

We are making some important updates to the WealthFocus Perpetual Split Growth Investment Option (the 'Option') effective from 1 October 2022. These changes are being made in response to changing market conditions and the expected outlook for financial markets, seeking to manage volatility in equity markets and improve our ability to provide members with long-term capital growth.

These updates include changing:

- the name of the Option to Perpetual Global Allocation Alpha
- the investment objective including the benchmark from a composite benchmark comprising the S&P/ASX300 Accumulation Index and the MSCI World ex Australia Accumulation Index (AUD) to a single benchmark, the MSCI World ex Australia Net Total Return Index (AUD)
- the investment approach as detailed below

The Option's investment approach will allow greater use of derivatives to minimise downside risk and seek to achieve its investment objective. These derivatives may include exposure to other asset classes, such as fixed income, credit and commodities. The Option will continue to invest predominantly in global equities directly or indirectly via managed funds, exchange traded funds and derivatives. The combination of assets held by the Option at any time are those which the investment manager believes are likely to provide the greatest probability of achieving the investment objective over rolling three-year periods.

The investment manager will be introducing strategies, such as buying call options, to increase asset exposure where market mispricing is observed. It is not expected that these strategies will be used all the time. The investment manager is not permitted to borrow for investment purposes. Uncovered derivative positions are not permitted within the strategy which means there are underlying assets that are held that are equivalent to cash, or can be readily converted into cash, in the amount of each derivative position. The Option's risk level has been reviewed in light of the changes and remains at High.

## Changes to the Perpetual Split Growth investment option investment Strategy

A summary of the changes to the “Investment Option Profile” on page 19 of the Perpetual WealthFocus Investment Book, dated 1 December 2020 are as follows and they will be reflected in the new Investment Book, dated on or around 1 October 2022:

	CURRENT DISCLOSURE		NEW DISCLOSURE	
	PERPETUAL SPLIT GROWTH		PERPETUAL GLOBAL ALLOCATION ALPHA	
<b>Investment Objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>achieve long-term capital growth through investment in a variable mix of Australian and international 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 Accumulation Index and the MSCI World ex Australia Accumulation Index (AUD) reflecting the fund's allocation to the various asset types over rolling three-year periods.</li> </ul>		<p>Aims to provide long-term capital growth and outperform the MSCI World ex Australia Net Total Return Index (AUD) with lower risk (before fees and taxes) over rolling three-year periods.</p>	
<b>Investment Approach</b>	<p>The fund may invest in Australian and international shares. The combination of assets held by the fund at any time are those which the investment manager believes provide the greatest probability of achieving the investment objective over rolling three-year periods.</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. Derivatives and exchange traded funds may be used in managing each asset class.</p>		<p>The fund predominately invests in global equities. It may utilise other securities to seek to minimise downside risk while maintaining participation in positive markets. This may include exposure to other asset classes, such as fixed income, credit, and commodities via derivatives and synthetic exposures. The combination of assets held by the fund at any time are those which the investment manager believes provide the greatest probability of achieving the investment objective over rolling three-year periods.</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.</p> <p>Derivatives may be used in managing each asset class including to increase exposure within the investment guidelines. No money will be borrowed for investment purposes. Uncovered derivative positions are not permitted*.</p>	
<b>Investment Guidelines</b>	International shares	45 - 100%	Global shares	70 – 120%**
	Australian shares	0 - 35%	Cash	0 – 30%
	Cash	0 - 20%		

\*A covered position means there are underlying assets that are held that are equivalent to cash, or can be readily converted into cash, in the amount of each derivative.

\*\*The fund uses derivatives to manage equity risk and achieve its investment objective. These derivatives may include exposure to other asset classes, such as fixed income, credit and commodities for risk management purposes.

## What do I need to do?

No action is required from you should you wish to remain invested in the Option, following the changes outlined above taking effect on 1 October 2022. We recommend that you consider this information having regard to the current PDS for Perpetual WealthFocus Super Plan or Pension Plan, available at [www.perpetual.com.au/wealthfocus-super-updates.aspx](http://www.perpetual.com.au/wealthfocus-super-updates.aspx) or [www.perpetual.com.au/wealthfocus-pension-updates.aspx](http://www.perpetual.com.au/wealthfocus-pension-updates.aspx) respectively, and to your objectives, financial situation or needs.

Alternatively, if you are not comfortable with the changes, you may choose to switch to any other option offered. Switches may be completed online at [www.perpetual.com.au](http://www.perpetual.com.au) (login required) or by completing a form available from our website.

You should seek financial advice before making an investment decision. A new PDS will also be issued on or around 1 October 2022 containing the updated information for the Option.

## Further information

If you have any questions, please speak to your financial adviser, email [investments@perpetual.com.au](mailto:investments@perpetual.com.au) or phone us on 1800 022 033 Monday to Friday between 8.30am and 6pm (Sydney time).

Thank you for choosing to invest with Perpetual.

Yours sincerely



Cate Jones  
Head of Service Delivery  
Perpetual Client Solutions