

PORTFOLIO IMPACT MEASUREMENT REPORT Q&A

WHAT IS THE PORTFOLIO IMPACT MEASUREMENT REPORT?

This report provides information on the impact and environmental, social and governance ('ESG') attributes of the relevant Perpetual Fund's portfolio of investments. This includes:

- Measures of the Funds 'carbon footprint'. A carbon footprint is calculated from the carbon emissions of the companies in the Fund's portfolio. It can be used as a tool to help assess the Fund's exposure to climate change risk, usually versus a benchmark portfolio.
- Contribution of the Fund towards positive environmental and social goals – specifically the United Nations Sustainable Development Goals ('SDGs'). The SDGs are aspirational goals to address major global challenges such as poverty, gender equality, climate, education and hunger.
- Portfolio-level ESG attributes such as aggregate ESG metrics and ratings.

WHY IS PERPETUAL REPORTING THIS INFORMATION?

At Perpetual we recognise that our clients and other external stakeholders are becoming more interested in the impact of their investments on society, as well as recognising that ESG issues are growing in relevance to investment outcomes. Internally, in our analysis of investee companies we find many instances of positive impact – as well as being quality investments, these companies are also making positive contributions to broader society. This report seeks to improve our funds' ESG reporting by sharing this important information with our clients and other stakeholders.

WILL MORE INFORMATION BE PROVIDED IN THE FUTURE?

Yes, we will endeavour to evolve our ESG reporting to meet the expectations of our clients and other stakeholders and meeting relevant norms and standards as these develop further over time.

HAS ANYTHING CHANGED IN TERMS OF HOW THE FUND'S PORTFOLIO IS MANAGED?

No. This report merely provides more information on the Fund's portfolio for the benefit of our clients. While the Fund's investments will have certain positive impacts, there is no specific impact performance objective for the Fund.

WHERE CAN I FIND OUT MORE INFORMATION?

Perpetual and ESG:

<https://www.perpetual.com.au/investments/institutional-investors/responsible-investing/>

Carbon footprint:

<https://www.unpri.org/climate-change/how-measuring-a-portfolio-carbon-footprint-can-assist-in-climate-risk-mitigation-and-reducing-emissions/608.article>

SDGs:

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>