

---

# Perpetual Select Pension Plan

## Your Pension Plan account

### Important notes

The information in this document forms part of Product Disclosure Statement issue number 12 dated 1 March 2025 (PDS) for Perpetual Select Super Plan and Pension Plan and should be read in conjunction with the PDS.

This document contains important additional information about:

- how super pensions work, including eligibility to invest
- the features and benefits of the Pension Plan, which includes details about opening and operating your Pension Plan account
- investment risks
- how we invest your money, including profiles for each of the investment options available to Pension Plan members
- how super is taxed.

It also contains relevant forms.

Certain information in this document may change from time to time. Where this information is not materially adverse, the updated information will be made available on [www.perpetual.com.au](http://www.perpetual.com.au). A paper copy of any updated information will be given to you without charge upon request. If a change is considered materially adverse, we'll replace this document.

**YOUR PENSION PLAN ACCOUNT  
DATED 1 MARCH 2025**

Issued by Equity Trustees Superannuation Limited  
ABN 50 055 641 757 AFSL 229757 RSE L0001458

Perpetual 

## How super pensions work

### Eligibility to invest

You're generally eligible to start receiving a pension if you have an 'unrestricted non-preserved' benefit. This will generally be when you've met a 'condition of release' under superannuation law, as shown in the following table, which gives you unrestricted access to your superannuation savings such as:

- reaching age 65
- permanently retiring from gainful employment on or after reaching age 60
- leaving a gainful employment arrangement on or after reaching age 60
- permanent incapacity.

You may also be eligible to start receiving a 'transition to retirement' (TTR) pension from 'restricted non-preserved' and 'preserved' benefits after reaching age 60.

Temporary residents are generally not eligible to commence any form of pension (some exceptions apply – contact us for further information).

### Conditions of release for superannuation benefits

Event	Preserved benefits	Restricted non-preserved benefits
Reaching age 65	Yes	Yes
Retiring <sup>1</sup> having reached age 60	Yes	Yes
Leaving a gainful employment arrangement after reaching age 60	Yes	Yes
Ceasing employment without satisfying any of the above conditions <sup>2</sup>	No	Yes
Starting a 'transition to retirement' pension after reaching age 60	Yes <sup>3</sup>	Yes <sup>3</sup>
Permanent incapacity <sup>2</sup>	Yes	Yes
Temporary incapacity (for release of insurance benefits only) <sup>2</sup>	Yes <sup>3</sup>	Yes <sup>3</sup>
Diagnosed with a terminal medical condition likely to result in your death within 24 months <sup>2</sup>	Yes	Yes
Severe financial hardship <sup>2, 4</sup>	Yes	Yes
Compassionate grounds <sup>2, 4</sup>	Yes	Yes
Death <sup>5</sup>	Yes	Yes
Departing Australia superannuation payment (DASP) <sup>2, 6</sup>	Yes	Yes

- 1 Under superannuation law, this means an arrangement under which you were gainfully employed has ceased and you don't intend to become gainfully employed for 10 hours or more each week again.
- 2 There are additional requirements you'll need to satisfy before a payment can be made.
- 3 Your benefit can only be taken as an income stream.

- 4 Transition to retirement (TTR) pensions (see this section for details) can't be released in these circumstances.
- 5 See 'Death benefits' in this section for more information.
- 6 Applies to temporary residents (excluding Australian citizens, New Zealand citizens or permanent residents) who have left Australia and their visa has ceased to be in effect. Temporary residents generally cannot commence any form of pension.

### Preservation age

If you are age 60 or more, you have reached your preservation age. If you are under age 60, you have not.

### Income stream total account balance limit

A transfer balance cap will apply to the total amount of accumulated superannuation (across all superannuation funds that a member participates in) that a member can transfer into the retirement (income stream) phase. Subsequent earnings on balances in the retirement phase will not be capped or restricted. The general transfer balance cap is \$1.9 million for the 2024/2025 financial year, which will be indexed in line with the Consumer Price Index (CPI) in \$100,000 increments. If you commenced a retirement phase pension before 1 July 2023 your transfer balance cap (personal transfer balance cap) will be lower.

Where a member accumulates amounts in excess of their personal transfer balance cap in their superannuation account, they will be able to maintain the excess amount in their superannuation accumulation account where earnings will continue to be taxed at the concessional rate of 15%.

TTR pensions do not count towards your transfer balance cap since these amounts are not considered to be in the retirement phase and, therefore, earnings on assets supporting TTR pensions are taxed at the same rate as the concessional tax rate applying to fund earnings on superannuation accumulation accounts (see 'Transition to retirement (TTR) pensions' in this section for further information). Structured settlements are also not included in the transfer balance cap.

Members who breach their personal transfer balance cap will be subject to penalty arrangements and the Australian Taxation Office (ATO) can issue a commutation authority to the Fund which requires us to transfer the amount determined by the ATO (the reduction amount) back into a superannuation accumulation account.

You can check your personal transfer balance cap using the ATO online services through myGov.

### Starting a pension with non-super money

If you have non-super money that you want to use to start a pension, you may be able to contribute some or all of it as a non-concessional contribution (also known as an after tax contribution) to the Super Plan. Your contribution will be invested in the Perpetual Cash investment option and on the same day transferred to the Pension Plan and invested according to the investment instructions detailed on your Pension Plan application form. You must be eligible to contribute to superannuation and meet a relevant condition of release (see the 'Conditions of release for superannuation benefits' table in this section) before you can start a pension with non-super money.

## Our retirement income solution

The Pension Plan provides a flexible income stream via an 'account based pension' (ABP), the main characteristics of which are summarised in the following table.

Main characteristics of account based pensions

Feature	Characteristics
Term of the pension	There is no fixed term – the pension finishes when your account balance is exhausted.
Minimum annual pension payment	Your annual pension amount must be at least the minimum determined by multiplying your account balance by the percentage based on your age (see the 'Minimum pension limits' table in this section for details), calculated at commencement and each 1 July.  Pension payments are required at least annually, except in the first financial year if your pension commences after 1 June.
Maximum annual pension payment	There is no maximum annual pension amount, except where your pension is a TTR pension.
Investment earnings	Investment earnings on assets supporting your ABP are generally not subject to tax, except for TTR pensions (see the 'Tax' section for details).
Access to benefits	Unless your pension is a TTR pension, you can withdraw as a lump sum at any time: <ul style="list-style-type: none"> <li>part of your remaining benefit, provided you have left at least the balance of the remaining minimum pension amount for that financial year</li> <li>all of your remaining benefit, provided you have received at least the minimum pension payment for the financial year at the time of withdrawal.</li> </ul>

### Transition to retirement (TTR) pensions

If you have reached age 60 (see 'Preservation age' in this section) but have not ceased gainful employment, you may commence your pension as a TTR pension (also known as a pre-retirement pension).

A TTR pension allows you early access to your super money without retiring. A TTR pension provides you with additional income flexibility where, for example, you wish to remain in the workforce but may choose to reduce your hours of work as you approach retirement. It may also provide an opportunity for you to boost your retirement savings by salary sacrificing into superannuation. You should speak to your financial adviser about how a TTR pension can be used to supplement your pre-retirement income and whether it is appropriate for you.

Whilst your pension is a TTR pension:

- you cannot add any future superannuation guarantee or other contributions to your TTR pension account
- you are limited to a maximum pension amount of 10% of your account balance each year (this amount is not pro rata if you commence your TTR pension after 1 July)
- you can stop (or commute) your pension and return your benefit to a superannuation accumulation account (eg if you return to work full time)
- you cannot otherwise access your benefit without satisfying another condition of release under superannuation law (see the 'Conditions of release for superannuation benefits' table in this section).

### Standard account-based pension features to apply from age 65

Earnings on assets supporting TTR pensions are taxed at the maximum rate of 15%.

The standard features of an account based pension will be applied to your TTR pension from the time you turn 65, or earlier if you meet another condition of release and once you have notified us.

If you hold any of the following investment options in your TTR pension:

- High Growth
- Australian Share
- International Share

we will switch the investment option(s) to the Growth investment option at the time the standard account based pension features are applied. Buy-sell spreads will apply to these switches.

The income and capital gains earned within your account based pension will not be subject to tax. Your pension payments will continue to be received tax free.

Once this change occurs, we are required to report the value of your account to the ATO. The ATO uses this information to ensure you haven't transferred more than your personal transfer balance cap into a tax-free retirement phase income stream.

Whilst you will still be required to take the minimum age-based pension amount each year, you will no longer be limited to the maximum pension amount of 10% of your account balance each year that had applied to your TTR pension.

### Minimum pension amount

We will calculate the minimum annual payment amount (rounded to the nearest \$10) as at the date of commencing your pension and recalculate it as at 1 July each financial year, based on your age and pension account balance at the time of calculation.

The following 'Minimum pension limits' table shows the minimum annual pension limits that apply to an ABP.

### Minimum pension limits

Age range	Percentage of account balance
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95+	14%

The following example shows how the minimum annual payment amount is calculated.

### Example

An ABP for \$300,000 commences on 1 July. The member is aged 60 at the time of commencement.

The minimum pension payment for the financial year ending the following 30 June is calculated as:

$$\$300,000 \times 4\% = \$12,000$$

Therefore, the member would be able to nominate an annual pension amount between \$12,000 and their total account balance of \$300,000. If the ABP was commenced as a TTR pension, then the maximum pension amount for that year would instead be limited to \$30,000 (that is \$300,000 x 10%).

If you commence your ABP before 1 June in a financial year, your annualised minimum pension payment in the first year will be a pro rata amount based on the number of days in the financial year from the commencement date to the next 30 June. We will advise you if your chosen pension amount is below this limit.

### Example

An ABP for \$300,000 commences on 15 September. The member is aged 60 at the time of commencement.

The pro rata minimum pension payment for the financial year ending the following 30 June is calculated as:

$$\$300,000 \times 4\% \times (288^1 \div 365) = \$9,470^2$$

- 1 This is the number of days remaining in the financial year.
- 2 The result (\$9,468.49) has been rounded to the nearest \$10.

If you start your pension on or after 1 June in a financial year, you are not required to take a pension payment in that financial year.

You can change the amount of your annual pension at any time (subject to the relevant limits) by notifying us in writing. We have the right to restrict withdrawals and changes to your pension amounts.

You cannot add to your Pension Plan account once your pension payments have commenced. If you have accrued any additional superannuation benefits (eg from ongoing contributions), which you would also like to take as a pension, you can either:

- open an additional Pension Plan account to receive a separate pension or
- use our pension refresh facility to commute your existing pension and start a new one after adding other accrued superannuation benefits (see 'Pension refresh facility' in the 'Features and benefits of the Pension Plan' section for further information).

## Superannuation and family law

The law allows for pension benefits to be split between you and your spouse (including a de facto spouse of the same or different sex) in the case of legal separation or divorce. Under the law, we may be required to:

- provide certain information about your pension benefit to certain eligible persons without notifying you of the request and/or
- 'flag' and/or split your pension benefit according to a superannuation agreement or Family Court order.

Although the Fund's Trust Deed allows us to charge fees for family law related transactions, we currently don't intend to do so and will notify you before any change.

The legal requirements for splitting your pension benefit in these circumstances are complex and effecting a split of your pension benefit may have significant financial and tax consequences for you. We therefore recommend that you seek professional legal, tax and financial advice on how these provisions may affect you.

## Investments and social security

Your investment in the Fund may affect your social security or pension entitlements. The calculations are complex so we recommend that you seek advice from your financial or tax adviser, or use the Financial Information Service provided by Services Australia.

## Unclaimed super

If your benefit in the Pension Plan becomes unclaimed money under the law, we are required to pay it to the ATO within certain time frames. After payment to the ATO, we are discharged from any further liability for payment of the benefit and you may claim your benefit by contacting the ATO. In some circumstances, tax may be payable.

Interest will be paid at a rate equivalent to CPI on all superannuation benefit accounts reclaimed from the ATO.

## Death benefits

In the event of your death, your benefit will generally be paid to one or more of your dependants or to your legal personal representative. The Trust Deed permits you to:

- give a direction (binding nomination) to the Trustee about the distribution of your death benefit
- nominate your preferred beneficiaries (non-binding nomination) but ultimately leave it to the discretion of the Trustee to decide how your death benefit is to be distributed among your beneficiaries and/or legal personal representative (if the Trustee can't locate any dependants the benefit may be paid to your legal personal representative)
- nominate a dependant as your reversionary beneficiary. In this case, your pension will generally revert to them automatically on your death provided they are a 'dependant' for tax purposes at that time.

There are different tax consequences depending on the beneficiaries being a dependant or non-dependant for tax purposes (see 'Tax on death benefits' in the 'Tax' section for details). We recommend that you consult a financial and/or tax adviser before making any nomination.

To make a nomination, indicate this on your 'Pension Plan application' form. You must also complete the 'Nomination of beneficiary' form and attach it to your application. You can revoke or amend an existing nomination at any time,

or make a new beneficiary nomination, by completing another form and sending it to us.

If you don't make a nomination, the Trustee will use its discretion under the Trust Deed (subject to the law) to determine the beneficiaries and most appropriate method of payment for your death benefit.

### **Binding nominations**

A binding nomination binds the Trustee to make payment of your death benefit according to your instructions, provided your nomination is valid and effective under the law and the rules in the Trust Deed. We recommend that you obtain professional financial and/or tax advice when determining your estate planning structure.

For a binding nomination to be valid:

- you can only nominate your dependant(s) or your legal personal representative (your estate) as a beneficiary
- your nomination must be made in writing and signed by you in the presence of two witnesses who are over 18 years of age and not named as beneficiaries.

If we have accepted a valid binding nomination to pay one or more dependants or your legal personal representative and that nomination, or a part of it, is no longer valid and effective at the time of payment (eg a nominated beneficiary is not still a dependant at the time of death), we will pay the non-valid portion of your death benefit to the remaining eligible nominated beneficiaries in equal share. If there are no eligible nominated beneficiaries, we will pay to your dependant(s) or your legal personal representative (your estate), in our discretion. The Trustee will pay the valid portion of your benefit in accordance with that part of your nomination which is valid and effective at the time of payment.

### **Lapsing binding nomination**

A lapsing binding death benefit nomination must be confirmed every three years to remain effective.

### **Non-binding nominations**

A non-binding nomination gives the Trustee an indication of your wishes and will help us to exercise our discretion. However, it doesn't necessarily mean that the benefit will be distributed in this way.

### **Reversionary beneficiary nominations**

This nomination can be made either when you open a Pension Plan account with us or after your pension has commenced and can be revoked or changed at any time.

### **Dependants**

For the purpose of paying a death benefit under superannuation law, a dependant includes a:

- spouse
- child
- person who was financially dependent on you at the time of your death
- person who you have an 'interdependency relationship' with.

A member's 'spouse' includes:

- another person (whether of the same sex or a different sex) with whom a member is in a relationship that is registered under relevant law and
- another person who, although not legally married to the member, lives with the member on a genuine domestic basis in a relationship as a couple.

A member's 'child' includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the member's spouse
- someone who is a child of the member under family law.

Two people have an 'interdependency relationship' if:

1. they have a close personal relationship and
2. they live together and
3. one or each of them provides the other with financial support and
4. one or each of them provides the other with domestic support and personal care.

If a close personal relationship exists but the other requirements for interdependency aren't satisfied because of a physical, intellectual or psychiatric disability, then there is also an interdependency relationship.

Note: the definition of dependant for tax purposes is different.



## Investment risks

### Investment strategy risks

#### Derivatives risk

Derivative values can fluctuate significantly and in certain circumstances a derivative can be more volatile than the underlying asset or index. The value of a derivative contract may fall as a result of an adverse movement in the underlying asset or index. Losses can be magnified where a greater exposure is created through the derivative position than is backed by the assets of a fund. Derivatives may also be subject to liquidity risk and/or counterparty risk. Depending on market conditions derivative positions can be costly or difficult to reverse.

A counterparty may also be required to take collateral from a fund's assets to support a derivatives contract. Therefore, there is a risk that if the counterparty becomes insolvent, the fund's assets may not be returned in full.

See 'Use of derivatives' in the 'How we invest your money' section for information about how derivatives may be used in the investment options and by the specialist investment managers in the management of their underlying funds.

#### Liquidity risk

In the absence of an established market or shortage of buyers for certain investments, such as unlisted property funds, mortgages, some alternative assets and fixed income, an investment option may not be liquid from time to time. This means there is a risk you will have difficulty withdrawing your investment. While we generally strive to make proceeds from your withdrawal request available within three business days from when we have processed the request, in certain circumstances we may not be able to meet your withdrawal request when received (see 'Suspension of applications, switches and withdrawals' in the 'Features and benefits of the Pension Plan' section for further details).

### Other significant (investment strategy) risks that relate to a specific option

An option may involve specific significant risks depending on its investment strategy. The following table indicates the types of significant risks applicable to specific options. Descriptions of each of these risks follow the table.

Investment option	Investment strategy risk					
	Portfolio concentration risk	Credit risk	Inflation risk	Alternative asset risk		
				Gearing risk	Prime broker risk	Short-position risk
Conservative	N/A	X	X	X	X	X
Diversified	N/A	X	X	X	X	X
Balanced	N/A	X	X	X	X	X
Growth	N/A	X	X	X	X	X
Cash	X	N/A	N/A	N/A	N/A	N/A

#### Portfolio concentration risk

Investing in an option with exposure to predominantly one asset class (eg Australian shares) may lead to more volatile returns than investing in an option with exposure to multiple asset classes.

Portfolio concentration also increases the risk of a steep decline in value of an investment portfolio from a relative peak relative to multi-asset funds. Any time taken to recover a drawdown can vary considerably due to the nature of the underlying assets, the investment strategy, market conditions and the size of the drawdown.

#### Credit risk

The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time.

The market value of an investment can also fall significantly when the perceived risk of a note or bond increases or its credit rating declines.

#### Inflation risk

The inflation/CPI+ objective for each multi-asset class investment option assumes the mid-point of the "Inflation Target" adopted by the Reserve Bank of Australia, which is a target for monetary policy in Australia to keep consumer price inflation within a specified range on

average, over the medium term. The Inflation Target adopted by the RBA may change.

Inflation risk includes the risk of not meeting an option's inflation/CPI+ objective over the objective's stated timeframe because inflation is higher than the Inflation Target.

#### Gearing risk

The Fund can't use gearing as an investment strategy. However, gearing risk is a factor in the multi-asset class investment options that have exposure to unlisted property trusts or alternative assets, or where gearing forms part of the underlying fund's investment strategy.

With gearing, money is borrowed to increase the amount that can be invested. While this can result in larger investment gains in a rising market, it is also likely to magnify losses in a falling market.

Gearing increases the volatility of a fund's investment returns. Consequently, a geared fund is considered to have a higher investment risk than a comparable fund that is ungeared.

The returns of a geared fund depend on the types of investments in it as well as the level of gearing and the costs of borrowing, including interest rates.

The greater the level of gearing in a geared fund, the greater the potential for loss of capital. As the following example shows, a 10% fall in the market value of assets in an ungeared fund could translate into a 20% fall in the value of the same portfolio in a geared fund with a gearing level of 50% (excluding any borrowing costs). Consequently, the greater the level of gearing, the less the fall in asset value needs to be for a total loss of your investment capital.

### Example

Your investment amount	\$1,000	\$1,000
Fund gearing level	nil	50%
Amount borrowed by fund	n/a	\$1,000
Amount invested in the market	\$1,000	\$2,000
<b>If the value of the fund's assets falls by 10%:</b>		
Fall in value of fund's assets	\$100	\$200
Value of fund's assets after fall	\$900	\$1,800
Outstanding loan	n/a	\$1,000
<b>Value of your investment</b>	<b>\$900</b>	<b>\$800</b>
<b>Loss of investment capital</b>	<b>\$100</b>	<b>\$200</b>
<b>Effective rate of loss</b>	<b>10%</b>	<b>20%</b>

The gearing level in an underlying geared fund may change regularly due to factors such as market movements, applications, withdrawals or changes to the amount borrowed. In certain circumstances, it may be necessary to suspend withdrawals from an underlying geared fund to manage the fund's gearing position within its approved limits and protect the interests of all investors in the fund.

The lender may have the right to reduce the gearing level set for the geared fund or terminate the lending facility. This means that a geared fund may need to promptly reduce the gearing level by selling assets, which may force the sale of assets at unfavourable prices. To control this risk, the investment manager may establish alternate sources of funding to limit the exposure to any one lender.

### Prime broker risk

The alternative asset specialist investment managers may engage a prime broker to provide financing for gearing and stock for the borrowing and lending of securities, as well as settlement services and any other services agreed between the parties.

When one of these strategies involves borrowing securities or cash, the prime broker is entitled to take collateral from the assets of the particular fund. Any assets taken by the prime broker may be used by the prime broker for its own purposes (including lending those assets to third parties) for the period that the fund retains the relevant liability. Therefore, there is a risk that if the prime broker becomes insolvent whilst the fund remains indebted to the prime broker, the assets of the fund may not be returned in full.

### Short-position risk

Short-position risk is a factor in the multi-asset class investment options that have exposure to alternative assets, where short selling forms part of the underlying fund's investment strategy.

Where permitted, a short position can be created when an underlying fund sells a borrowed security before buying it back from the open market to return to the

securities lender. As the following example shows, if the market price of the security:

- falls in value, the underlying fund makes a profit because it buys it back for less than it was sold
- rises in value, the underlying fund will incur a loss when buying it back for more than it was sold.

### Example

Number of securities borrowed	1,000	1,000
Market price when borrowed securities are sold	\$10	\$10
Proceeds from sale of borrowed securities	\$10,000	\$10,000
Market price when securities are repurchased to return to lender	\$8	\$12
Cost to repurchase securities	\$8,000	\$12,000
<b>Profit/(loss) from short position (before any borrowing costs)</b>	<b>\$2,000</b>	<b>(\$2,000)</b>

Establishing a short position in a security involves a higher level of risk than investing in a security. This is because when you invest in a security, the maximum loss is generally limited to the amount invested. With short positions there is no limit on the maximum loss because there is no upper limit on the security's price. In other words, the loss will continue to increase as the security's price rises.

A further risk is that the securities lender may recall a borrowed security, so the underlying fund will have to find another securities lender willing to lend the security, or may have to buy the security quickly at an unfavourable price.

### Other general risks

The following risks are inherent within any of the investment options:

- the investment professionals employed by or on behalf of the Trustee or underlying specialist investment managers may change, which may affect the future performance of an investment option
- transactions may be suspended, which may result in delays in paying withdrawal requests – see 'Suspension of applications, switches and withdrawals' in the 'Features and benefits of the Pension Plan' section for further information
- an investment option may be terminated.

### How we manage these risks

#### Investment risks

We can't eliminate investment risks, however the Trustee (with the assistance of Perpetual Trustee Company Limited (PTCo) in its capacity as investment manager) manages risks through its risk management framework and underlying specialist investment managers (including PTCo) are also expected to manage the impact of these risks by following consistent and carefully considered investment guidelines.

## Diversification

Importantly, we aim to reduce the risk of investment returns by diversifying the investments of the investment options.

Diversifying across	How/why
Several specialist investment managers	Underlying investment managers have different investment styles which may lead to variations in returns in various market conditions. Diversifying across investment managers can reduce the reliance on one style.
Markets and regions	Spreading the investments of various asset classes across companies, countries, industries and currencies can minimise the impact of a regional crash, or a downturn in a particular industry.
Different asset classes	Each asset class has its own volatility and return characteristics. For the multi-asset class investment options we add an additional diversification layer by spreading their investments across the different major traditional asset classes like Australian and international shares, real estate, fixed income and cash, as well as alternative assets, to assist in minimising the performance risk presented by cycles in asset class returns.

## Use of derivatives

Please refer to 'Use of derivatives' in the 'How we invest your money' section for details about how derivatives may be used for managing risks.

## Gearing policy

The underlying funds may borrow from time to time to buy new assets or meet commitments rather than having to hold significant amounts of cash.

However, investments within the underlying funds in unlisted property trusts and alternative assets where strategic gearing typically occurs can result in significantly higher gearing levels for that portion of the underlying funds' investments.

## Conflicts management policy

Conflicts of interest may arise between related parties of the Trustee or as between related parties appointed to provide services to the Fund or involved in the management of underlying investments.

The Trustee has policies and procedures in place to manage any conflicts of interest, and to seek to ensure that any related parties of the Trustee, and the Trustee's service providers and their related parties, perform their functions to the same standards as if the parties were not related.

## How you can manage your investment risk

The most significant risk in investing is that you don't reach your financial goals. It's important to consider your investment timeframe, your investment goals and your risk tolerance and we recommend you consult a financial adviser to assist you in determining these. This will help with your choice of investment and the level of diversification you need.

## Diversification

Diversifying your investments can help reduce the volatility of investment returns.

You can easily achieve diversification across different asset classes by choosing a pre-mixed multi-asset class investment option or mixing your own investment portfolio by combining single-asset class investment options (or a combination of these approaches).

## Flexibility to change

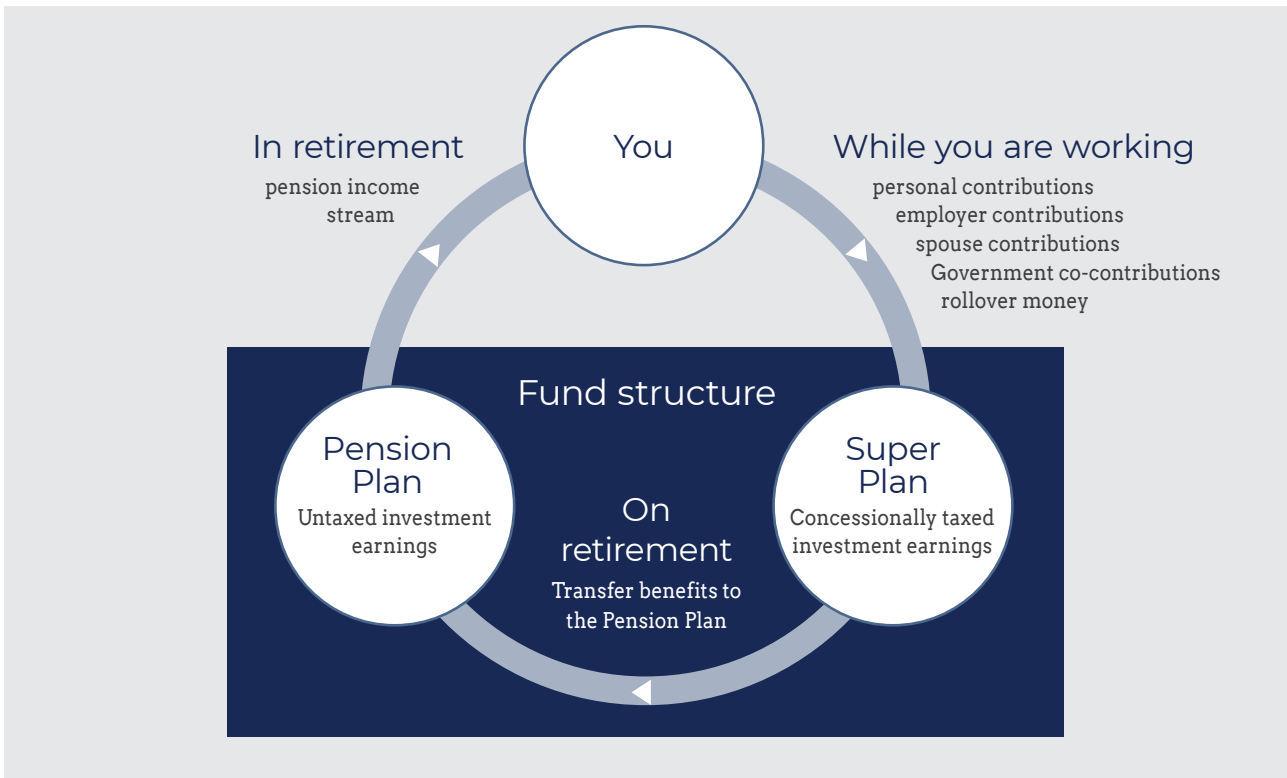
After you have made your investment selection you still have the flexibility to change your mind. It's easy to restructure your investments at any time, giving you the ability to concentrate or diversify your portfolio as you require (see 'Switches' in the 'Features and benefits of the Pension Plan' section for more details).



## How we invest your money

### The structure of the Fund

Perpetual's Select Superannuation Fund (Fund) includes Perpetual Select Super Plan (Super Plan) and Perpetual Select Pension Plan (Pension Plan), which together aim to provide a complete, life-long solution to your superannuation accumulation and retirement income needs, as shown in the following diagram.



### An underlying multi-manager investment approach

The Fund generally adopts a multi-manager approach to investing. Several specialist investment managers have been chosen for most of the various asset classes to manage the underlying assets of the investment options. This multi-manager approach reduces the risk associated with using a single specialist investment manager, as an individual specialist investment manager's performance can change over time or with different market conditions.

The specialist investment managers enable the Fund to combine their different styles, philosophies, approaches and techniques, with the aim of enhancing diversification within each asset class and producing more consistent returns.

Each specialist investment manager is subject to a rigorous selection process and regular monitoring by or on behalf of the Trustee. The Trustee is assisted in the selection and monitoring process by PTCO's experienced investment team. External consultants contribute to certain aspects of the specialist investment manager screening or portfolio construction but any decisions about the appointment of specialist investment managers to an asset class are made by PTCO as the investment manager to the Fund.

The Fund's investment options gain exposure to their asset classes through underlying funds managed by the specialist investment managers chosen by PTCO either:

- directly by appointing the specialist investment manager under an agreement to manage investments

for an investment option or by investing in an investment vehicle managed by PTCO, or

- indirectly by investing in an investment vehicle managed by a specialist investment manager other than PTCO.

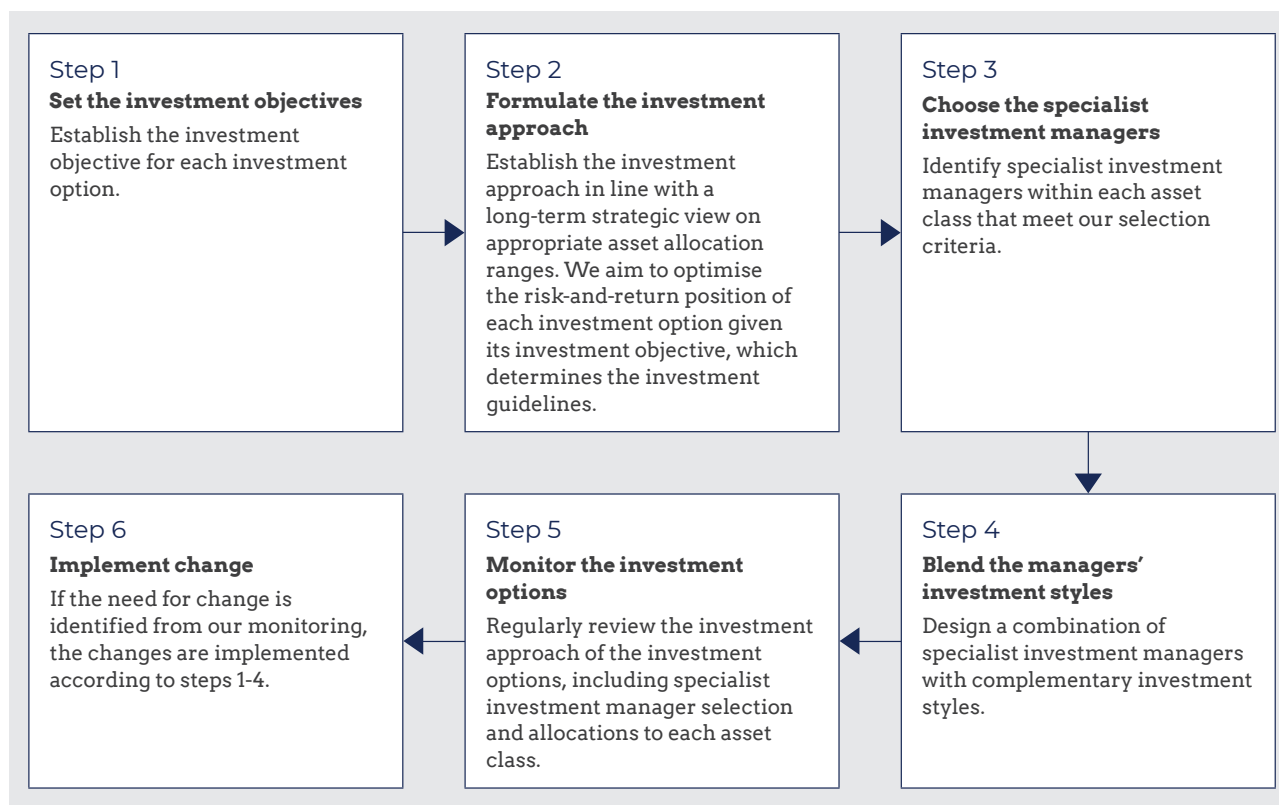
Where a specialist investment manager is appointed under an agreement to manage a dedicated pool of assets specifically for one of the Fund's investment options, the asset pool is held by a custodian appointed by PTCO as its agent. PTCO has full visibility over underlying investments and can access holding details through its custodian.

Where PTCO has selected an investment vehicle managed by PTCO to gain exposure to an asset class of the Fund's investment options, PTCO has full visibility over the underlying investments as the investment manager of that investment vehicle.

Where PTCO invests in an underlying investment vehicle managed by a specialist investment manager other than PTCO, PTCO relies on reporting from the specialist investment manager to ascertain what the underlying investments are, however such reporting is only provided to PTCO where the specialist investment manager has agreed to do so. PTCO may be one of multiple investors in the underlying investment vehicle.

## The multi-manager investment process

There are six main steps in the multi-manager investment process.



## Fund investments

The main asset classes in which the investment options may invest are summarised in the following table.

### The main asset classes

Asset class	Description of investment
<b>Income assets</b>	
<b>Cash</b>	Cash investments include bank accounts, discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans. Cash generally provides a rate of return in line with short-term interest rates.
<b>Fixed income</b>	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.
<b>Growth assets</b>	
<b>Real estate</b>	A real estate (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.
<b>Shares</b>	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.

## Alternative assets

<p><b>Income alternatives</b></p>	<p>Income Alternatives are alternative assets that have the objective of generating income and include a variety of strategies including:</p> <p><b>Absolute return funds</b> which are actively managed investments that aim to produce returns in both rising and falling markets by using a broad range of securities and investment techniques.</p> <p><b>Private Market and Senior debt strategies</b> which include speculative grade bonds and loans issued by companies. Companies issuing speculative grade bonds and loans have a lower credit rating and are more likely to experience an impairment or default than companies that issue investment grade bonds and loans.</p> <p><b>Securitised Assets</b> are financial products that are backed by the cash flow of a portfolio of assets. Types of securitised assets include:</p> <ul style="list-style-type: none"> <li>• Residential mortgage-backed securities (RMBS): a structured product backed by a portfolio of residential loans</li> <li>• Commercial mortgage-backed securities (CMBS): backed by a portfolio of commercial property loans</li> <li>• Collateralised loan obligations (CLOs): backed by a portfolio of senior secured loans to non-investment grade companies</li> <li>• Asset Backed Securities (ABS): backed by assets like auto loans, consumer loans or loans to franchisees.</li> </ul> <p><b>Private Market Property Debt</b> are mainly loans backed by a residential or commercial property. The debt is held by one investor or by a small group of investors and should be considered as illiquid. The debt is often used to acquire properties, refinance, or redevelop an existing property.</p> <p><b>Core Property</b> involves purchasing an interest in property that is located in major cities, is intended to have stable long-term rents and low vacancies. The exposure seeks to provide a stable income with the opportunity for a small amount of capital growth.</p> <p><b>Other Alternatives.</b> Other alternative assets include royalties and insurance linked investments. Royalties are investments that produce an income backed by an intangible asset such as intellectual property rights or a license. Insurance Linked investments produce an income from the operations of an insurance company or through the premiums paid by an insurance company.</p>
<p><b>Growth alternatives</b></p>	<p><b>Absolute return funds</b> which are actively managed investments that aim to produce returns in both rising and falling markets by using a broad range of securities and investment techniques.</p> <p><b>Infrastructure</b> involves investing by purchasing listed or unlisted equity or debt securities in companies and/or 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> <p><b>Private equity</b> comprises investments in unlisted companies that offer the prospect for a major escalation in economic value through a range of strategies including product development, market expansion, mergers and acquisitions, corporate and balance sheet restructuring. They are generally long-term investments that aren't liquid, and usually generate their returns through an initial public offering, a sale or merger, or a recapitalisation.</p> <p><b>Private real estate</b> is the real estate equivalent of unlisted private equity. It seeks high returns by investing in property projects with a large potential escalation in economic value, mainly via major redevelopment or repositioning of the asset.</p>

### Use of derivatives

A derivative is a financial instrument that usually derives its value from the price of a physical security or market index. Derivatives include, but are not limited to, futures, options, swaps and forward foreign exchange contracts.

Derivatives may be used in the investment options and by the specialist investment managers in the management of their underlying funds for a range of investment activities including, but not limited to, the following purposes:

- managing investment risk and volatility of a stock, security or market
- managing actual and anticipated interest rate risk and credit exposure
- managing currency risk and adjusting currency exposure
- achieving asset exposures without buying or selling the underlying securities
- creating short exposure to a stock, security or market where permitted
- generating additional income

- adding to the gearing levels of relevant underlying funds' portfolios
- managing strategic and tactical asset allocation strategies
- taking advantage of price differences (known as arbitrage).

Investing in derivatives can expose an investment option to additional risks. Please refer to 'Derivatives risk' in the 'Investment risks' section for more information.

## Environmental, social and ethical factors and labour standards

The Trustee believes it is appropriate for underlying fund managers to consider a wide range of short-term and long-term factors in generating returns and mitigating risk. These factors may include environmental, social and governance attributes of the investments they make.

The Trustee does not specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising these investments. The various underlying fund managers for the investment options may have their own policies concerning labour standards or considerations of an environmental, social or ethical nature.

To the extent that the underlying fund managers take into account such policies, they do so in their own right.

## Investment option profiles

### Multi-asset class investment options

<b>Investment option name</b>	<b>Conservative<sup>1</sup></b>																	
<b>Suitability</b>	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.																	
<b>Risk level<sup>2</sup></b>	5 – Medium to high																	
<b>Minimum suggested timeframe</b>	Three years or longer																	
<b>Investment return objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash investments</li> <li>outperform the CPI by 1.00% (before fees and after tax) over rolling three-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>																	
<b>Investment approach</b>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>																	
<b>Investment guidelines</b>	<table border="0"> <tbody> <tr> <td>Cash<sup>4</sup></td> <td>0-30%</td> </tr> <tr> <td>International fixed income<sup>5</sup></td> <td>15-60%</td> </tr> <tr> <td>Australian fixed income</td> <td>10-40%</td> </tr> <tr> <td>Income alternatives</td> <td>0-20%</td> </tr> <tr> <td>Real estate<sup>6,7</sup></td> <td>0-10%</td> </tr> <tr> <td>Australian shares</td> <td>5-20%</td> </tr> <tr> <td>International shares</td> <td>10-30%</td> </tr> <tr> <td>Growth alternatives</td> <td>0-10%</td> </tr> </tbody> </table>		Cash <sup>4</sup>	0-30%	International fixed income <sup>5</sup>	15-60%	Australian fixed income	10-40%	Income alternatives	0-20%	Real estate <sup>6,7</sup>	0-10%	Australian shares	5-20%	International shares	10-30%	Growth alternatives	0-10%
Cash <sup>4</sup>	0-30%																	
International fixed income <sup>5</sup>	15-60%																	
Australian fixed income	10-40%																	
Income alternatives	0-20%																	
Real estate <sup>6,7</sup>	0-10%																	
Australian shares	5-20%																	
International shares	10-30%																	
Growth alternatives	0-10%																	
<b>Investment option name</b>	<b>Diversified</b>																	
<b>Suitability</b>	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.																	
<b>Risk level<sup>2</sup></b>	6 – High																	
<b>Minimum suggested timeframe</b>	Five years or longer																	
<b>Investment return objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio of assets</li> <li>outperform the CPI by 2.00% (before fees and after tax) over rolling five-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>																	
<b>Investment approach</b>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>																	
<b>Investment guidelines</b>	<table border="0"> <tbody> <tr> <td>Cash<sup>4</sup></td> <td>0-30%</td> </tr> <tr> <td>International fixed income<sup>5</sup></td> <td>10-40%</td> </tr> <tr> <td>Australian fixed income</td> <td>5-30%</td> </tr> <tr> <td>Income alternatives</td> <td>0-10%</td> </tr> <tr> <td>Real estate<sup>6,7</sup></td> <td>0-15%</td> </tr> <tr> <td>Australian shares</td> <td>10-25%</td> </tr> <tr> <td>International shares</td> <td>15-40%</td> </tr> <tr> <td>Growth alternatives</td> <td>0-20%</td> </tr> </tbody> </table>		Cash <sup>4</sup>	0-30%	International fixed income <sup>5</sup>	10-40%	Australian fixed income	5-30%	Income alternatives	0-10%	Real estate <sup>6,7</sup>	0-15%	Australian shares	10-25%	International shares	15-40%	Growth alternatives	0-20%
Cash <sup>4</sup>	0-30%																	
International fixed income <sup>5</sup>	10-40%																	
Australian fixed income	5-30%																	
Income alternatives	0-10%																	
Real estate <sup>6,7</sup>	0-15%																	
Australian shares	10-25%																	
International shares	15-40%																	
Growth alternatives	0-20%																	



<b>Investment option name</b>	<b>Balanced</b>	
<b>Suitability</b>	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	
<b>Risk level<sup>2</sup></b>	6 – High	
<b>Minimum suggested timeframe</b>	Five years or longer	
<b>Investment return objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio with an emphasis on Australian and international share investments</li> <li>outperform the CPI by 3.00% (before fees and after tax) over rolling seven-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>	
<b>Investment approach</b>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	
<b>Investment guidelines</b>	<p>Cash<sup>4</sup></p> <p>International fixed income<sup>5</sup></p> <p>Australian fixed income</p> <p>Income alternatives</p> <p>Real estate<sup>6,7</sup></p> <p>Australian shares</p> <p>International shares</p> <p>Growth alternatives</p>	<p>0-30%</p> <p>5-30%</p> <p>5-20%</p> <p>0-10%</p> <p>0-15%</p> <p>10-35%</p> <p>15-50%</p> <p>0-20%</p>
<b>Investment option name</b>	<b>Growth</b>	
<b>Suitability</b>	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.	
<b>Risk level<sup>2</sup></b>	6 – High	
<b>Minimum suggested timeframe</b>	Five years or longer	
<b>Investment return objective</b>	<p>Aims to:</p> <ul style="list-style-type: none"> <li>provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international share investments</li> <li>outperform the CPI by 3.50% (before fees and after tax) over rolling ten-year periods</li> <li>outperform (before fees and after tax), over rolling three-year periods, a composite benchmark<sup>3</sup> reflecting the underlying funds' target allocations at any time to the various asset types.</li> </ul>	
<b>Investment approach</b>	<p>Invests into a diverse mix of assets (see 'Investment guidelines' below).</p> <p>Derivatives and exchange traded funds may be used in managing each asset class.</p> <p>The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.</p>	
<b>Investment guidelines</b>	<p>Cash<sup>4</sup></p> <p>International fixed income<sup>5</sup></p> <p>Australian fixed income</p> <p>Income alternatives</p> <p>Real estate<sup>6,7</sup></p> <p>Australian shares</p> <p>International shares</p> <p>Growth alternatives</p>	<p>0-30%</p> <p>0-15%</p> <p>0-10%</p> <p>0-10%</p> <p>0-15%</p> <p>15-40%</p> <p>20-60%</p> <p>0-20%</p>

## Single-asset class investment options

<b>Investment option name</b>	Cash
<b>Suitability</b>	Designed for investors with the appropriate risk level, investment timeframe and objective – see below.
<b>Risk level<sup>2</sup></b>	1 – Very low
<b>Minimum suggested timeframe</b>	No minimum
<b>Investment return objective</b>	Aims to: <ul style="list-style-type: none"><li>• provide members with capital stability through investments in deposits, money market and fixed income securities</li><li>• match the performance of the Bloomberg AusBond Bank Bill Index (before fees and after tax) over rolling one-year periods.</li></ul>
<b>Investment approach</b>	The investment option combines investment moneys and invests them in the money markets.
<b>Investment guidelines</b>	Cash 100%

## Footnotes to investment option profiles

- 1 Irrespective of its name, the Conservative investment option emphasises investment in fixed income and cash however it may also invest in real estate, Australian shares, International shares and growth alternatives. It has been estimated that this investment option has a medium to high risk band which means it may have 3 to less than 4 negative annual returns over any 20-year period. The Trustee advises that the Conservative investment option has a Standard Risk Measure risk band rating of 5 (refer to footnote below).
- 2 The risk level represents the Standard Risk Measure (SRM) - see further details below.
- 3 The composite benchmarks comprise, as applicable to the various asset types in the underlying funds:
  - cash – Bloomberg AusBond Bank Bill Index
  - International fixed income – Bloomberg Global Aggregate Bond Index (hedged in AUD)
  - Australian fixed income – Bloomberg AusBond Composite 0+Yr Index
  - income alternatives – Bloomberg AusBond Bank Bill Index plus 2%
  - real estate – 50% S&P/ASX 300 A-REIT Accumulation Index and 50% FTSE EPRA/NAREIT Developed Index – Net Return (unhedged in AUD)
  - Australian shares – S&P/ASX 300 Accumulation Index
  - International shares – MSCI All Country World Index – Net Return (unhedged in AUD)
  - growth alternatives – Bloomberg AusBond Bank Bill Index plus 5%.
- 4 Cash may also be held for liquidity in the underlying funds, so the overall cash allocation may be greater than that stated.
- 5 International fixed income may include Australian fixed income.
- 6 Real estate includes both Australian and international assets.
- 7 Also permitted to be included are company shares, unit trusts and other securities that are expected to have a return related to property investments or management as their dominant underlying assets.

## Standard Risk Measure (SRM)

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

Members should still ensure they are comfortable with the risks and potential losses associated with their 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. Any changes to SRMs at any time will be available at [www.perpetual.com.au/select-pension-updates](http://www.perpetual.com.au/select-pension-updates).

## Features and benefits of the Pension Plan

Feature/transaction	Summary information
<b>Initial investment</b>	<p>The minimum initial investment is \$20,000 per Pension Plan account. The maximum amount you can invest in retirement phase pensions (in aggregate) in the Pension Plan is the transfer balance cap under tax law (\$1.9 million for the 2024/2025 financial year).</p> <p>You can invest in up to five investment options.</p> <p>After reading the PDS, complete the 'Pension Plan application' form and send it to us, together with:</p> <ul style="list-style-type: none"> <li>• your completed 'Tax file number declaration' available at <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> if you are under age 60</li> <li>• a completed 'Transfer authority' form for each fund if you are <b>rolling over benefits</b> into the Pension Plan</li> <li>• a completed 'Nomination of beneficiary' form if you want to <b>nominate a beneficiary</b> (see 'Death benefits' in the 'How super pensions work' section for further information).</li> </ul> <p>Any cheques must be made payable to <b>'PIML – Select Pension – [insert name of applicant]'</b>.</p>
<b>Investment strategy</b>	<p>Unless you specify otherwise on your 'Pension plan application' form, the proportion of your initial investment that you allocate to each investment option is recorded by us as:</p> <ul style="list-style-type: none"> <li>• your default pension payment drawdown</li> <li>• your investment strategy for auto-rebalancing.</li> </ul> <p>You must select your chosen investment option(s) (ie investment strategy) for your account balance. You can change your investment strategy at any time. For further information about this, see below.</p>
<b>Pension payments</b>	<p>You can receive your pension payments monthly, quarterly, half yearly or yearly by ticking your choice in section 7 of your 'Pension Plan application' form.</p>
<b>Switching</b>	<p>There is no minimum amount for switches between investment options.</p> <p>To switch all or part of your investment in an investment option, you can switch online through myPerpetual (see below) or send us a completed 'Switch request' form (available from <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> or by contacting us) by mail or scanned attachment to email.</p>
<b>Auto-rebalancing</b>	<p>You can request us to regularly rebalance your investment portfolio to maintain your chosen investment strategy by completing section 5 and 6 of your 'Pension Plan application' form.</p>
<b>Withdrawals</b>	<p>There is no minimum amount for lump sum withdrawals from the Pension Plan.</p> <p>If you wish to make a lump sum withdrawal, send us a completed 'Benefit payment instruction' form (available from <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> or by contacting us), write to us stating your request (include your client number, account number, the amount or number of units to be withdrawn and your payment instructions) or use our email withdrawal facility.</p> <p>You'll also need to provide us with evidence of the 'condition of release' that you've satisfied if you have a TTR pension.</p>
<b>Pension refresh facility</b>	<p>You can request us to commute your existing pension and then start a new one after adding other accrued superannuation benefits by completing a 'Pension refresh' form (available from <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> or by contacting us). You should consider the latest Perpetual Select Super Plan and Pension Plan PDS (and incorporated information) before completing this form.</p>
<b>New instructions or changes</b>	<p>Please use myPerpetual online access or contact us to advise of any changes to your name, address/contact details, bank account, pension payments and other details/instructions. You can also send us a completed 'Change of instructions' form (available from <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> or by contacting us).</p> <p>When requesting any new features or changes/cancellations involving transactions (eg auto-rebalancing and any details relating to your pension payments), we must receive your instructions at least <b>five business days</b> before a transaction date for it to apply to the next transaction.</p>
<b>Authorised representative</b>	<p>You can appoint an authorised representative to act on your behalf in relation to your investment in the Pension Plan by completing section 9 of your 'Pension Plan application' form.</p>
<b>myPerpetual online access</b>	<p>You can update your personal details, view information about your investment, receive statements and transact online. You should specify the level of access you want in section 5 of your 'Pension Plan application' form.</p>
<b>Updated information</b>	<p>Go to <a href="http://www.perpetual.com.au">www.perpetual.com.au</a> or contact us for the latest information on unit prices, buy/sell spreads and investment returns and any other updated information in relation to the Pension Plan. Other general information is also provided in the Fund's annual report, which is also available at <a href="http://www.perpetual.com.au">www.perpetual.com.au</a>.</p>

## Investments

Provided you are eligible to invest in the Pension Plan (see 'Eligibility to invest' in the 'How super pensions work' section), you can invest in a single investment option or multiple investment options depending on your investment goals.

The minimum initial investment per Pension Plan account is \$20,000. There is no minimum investment amount for any investment option. You should indicate on your 'Pension Plan application' form the amount or proportion of your investment in each investment option.

Once your pension payments have commenced, you will need to open a new account for any additional investments or use the pension refresh facility (see this section for details).

### Investment strategy

The proportion of your initial investment allocated to each investment option is recorded as your default investment strategy for:

- pension payment drawdowns (see 'Pension payments' in this section), unless you nominate a different investment option(s)
- auto-rebalancing.

You need to specify on your 'Pension Plan application' form if you want your investment strategy for drawdowns and auto-rebalancing to differ from the investment strategy for your initial investment allocation.

When making any switches or (where permitted by law) lump sum withdrawals from your account, you will be requested to provide updated investment strategy instructions (including for pension payment drawdowns).

If you do not nominate an updated investment strategy following a switch or withdrawal from an investment option, we will make the following updates to your investment strategy:

- for partial switches or withdrawals, your investment strategy will remain unchanged
- for full switches or withdrawals, your investment strategy will be reweighted for all features to reflect your portfolio following the transaction.

You can also change your investment strategy at any time by notifying us in writing.

### How units are issued

When you invest in the Pension Plan, you will be allocated units in the relevant investment option(s) you choose. The value of your Pension Plan account will vary as the daily unit prices of the investment options change to reflect increases or decreases in the market value of the underlying assets.

Generally, if PTCO's Sydney office receives and accepts an investment application by 3.00pm on any business day, your investment will be processed using that day's entry price. If received and accepted after 3.00pm it will be processed using the next calculated entry price. If it's a non-working day in Sydney, your investment will be processed using the next available entry price.

For current entry prices, visit [www.perpetual.com.au](http://www.perpetual.com.au) or contact us.

The number of units issued to you is determined by dividing your investment amount (less applicable fees, costs and any taxes) by the applicable entry price. See 'How units are priced and investments are valued' in this section for details about asset valuations and unit prices.

We have the discretion:

- not to accept applications and can suspend processing them if we believe that's in the best interests of members or if required by the law (see 'Suspension of applications, switches and withdrawals' in this section for further information)
- to accept lower investment amounts
- to delay or defer the acceptance of an application, if you are a non-advised member while we collect information about your circumstances to understand whether you are likely to be within the investment option's target market.

We have the absolute discretion to accept, reject or limit any application and where an application is rejected or limited in any way (including if it is deferred or delayed), to the extent permitted by law, we are not liable for any loss you suffer (including indirect or consequential loss) as a result.

## Switches

You can switch all or part of your investment in an investment option into another investment option(s) at any time.

Generally, if PTCO's Sydney office receives and accepts your switch request (including those made online via myPerpetual) by 3.00pm on any business day, your switch will be processed using that day's exit and entry prices. If received and accepted after 3.00pm it will be processed using the next calculated exit and entry prices. If it's a non-working day in Sydney, your switch will be processed using the next available unit prices.

For current entry and exit prices, visit [www.perpetual.com.au](http://www.perpetual.com.au) or contact us.

We have the right to delay processing of switches where we believe that's in the best interests of members, as well as impose additional conditions (see 'Suspension of applications, switches and withdrawals' in this section for further information).

There may also be circumstances where we consider that processing a switch will not be consistent with our duties as trustee of the Fund, such as where we consider that processing the switch is not in the best interests of members as a whole. In these cases, we may exercise our right to reject and not process your switch request. If this occurs, we will notify you.

All switches, including those made under the auto-rebalancing facility, involve a withdrawal of money from one investment option at its exit price and an investment in another investment option at its entry price. Consequently, there may be a cost to members due to the buy/sell spreads on unit prices (see 'Buy/sell spread' in the 'Additional information about fees and costs' document for further information).



## Auto-rebalancing

The value of your investment in any particular investment option will change over time and this movement may cause your investment portfolio allocation to deviate from your investment strategy.

Auto-rebalancing is a form of automatic switching. This facility provides a simple way for you to maintain your investment strategy by authorising us to withdraw and apply units in your chosen investment options to rebalance your investment portfolio regularly, as follows:

- quarterly (default frequency) – on the 24th of February, May, August and November
- half yearly – on the 24th of February and August
- yearly – on the 24th of August.

If any of these days aren't business days, the next business day will apply.

Please contact us if you wish to change the frequency, cancel or restart auto-rebalancing.

The buy/sell spread (see 'Buy/sell spread' in the 'Additional information about fees and costs' document for further information) will apply to auto-rebalancing transactions.

## Pension payments

You can choose to have your pension paid monthly, quarterly, half yearly or yearly on the 25th day of the month (or the previous business day if the 25th isn't a business day). We need to receive all relevant documents seven business days before the 25th, if you want to receive your first pension payment in that month.

Exit prices for the pension payment date apply. For current exit prices, visit [www.perpetual.com.au](http://www.perpetual.com.au) or contact us.

If you have not made a choice, we will pay you the minimum annual amount in one annual payment on 25 June each year.

You can change the frequency of your pension payments at any time by notifying us in writing. We have the right to restrict changes to your pension frequency.

You may elect to have your pension payments automatically increased annually either by a percentage of your choice or in line with the Consumer Price Index (CPI). The CPI is a measure of inflation. This is not applicable to TTR pensions.

You can also instruct us to deduct your pension as percentages from specified investment options, which may be the same as or different to your investment strategy allocations for auto-rebalancing (if applicable). If no instruction is given, we will deduct the amount according to your current investment strategy at the time of payment. You can change the drawdown percentages for your pension payments at any time by notifying us in writing.

**The Pension Plan may not provide a pension for the rest of your life. Payments will only continue to be made until the balance of your account is exhausted. We recommend that you seek personal financial and tax advice that will consider your individual circumstances.**

## Lump sum withdrawals

By investing in the Pension Plan, you generally retain unlimited access<sup>1</sup> to your benefit and can withdraw part or all of your balance as a lump sum payment at any time.

- 1 Subject to the restrictions that apply if you started your pension without retiring after reaching age 60 (see 'Transition to retirement (TTR) pensions' within 'Our retirement income solution' in the 'How super pensions work' section for details).

If you withdraw (commute) your entire benefit part way through the financial year, you may have to take your annual pension payment before you withdraw.

All written withdrawal requests must be signed by you or your authorised signatory.

If PTCO's Sydney office receives and accepts your withdrawal request by 3.00pm on any business day, your withdrawal will be processed using that day's exit price. If received and accepted after 3.00pm it will be processed using the next calculated exit price. If it's a non-working day in Sydney, your withdrawal will be processed using the next available exit price.

For current exit prices, visit [www.perpetual.com.au](http://www.perpetual.com.au) or contact us.

Generally your withdrawal proceeds can be:

- deposited into a nominated Australian bank, building society or credit union account or
- rolled over to another complying superannuation or pension fund.

Withdrawals will not be paid in cash. We will confirm all withdrawals in writing.

The proceeds from your withdrawal will usually be available within three business days from when we have processed the request, given normal operating conditions, including the availability of the applicable unit price (see also 'Delays in calculating and publishing unit prices' in this section for more information).

Withdrawal proceeds that are paid directly into your nominated account are subject to clearance by your bank, building society or credit union from the date of deposit into your account.

We can delay processing withdrawal requests in certain circumstances (see 'Suspension of applications, switches and withdrawals' in this section for more information).

## Email instructions

We currently accept various instructions, including withdrawal requests, by scanned attachment to email provided we have no reason to believe the request isn't genuine.

Other conditions apply to email withdrawal requests (see 'Other conditions' in this section for details).

## Pension refresh facility

The pension refresh facility provides an easy way for you to consolidate your existing Pension Plan account balance with any additional accrued superannuation benefits at any time after you have commenced your pension. This may be particularly useful, for example, if you continue working and receiving superannuation contributions after you have commenced receiving a pension, as it does away with the need for multiple pension accounts if you also want to take those additional superannuation benefits as a pension.

The pension refresh facility works as follows:

- your existing Pension Plan account balance is commuted into a new or existing Super Plan account (for the same amount(s) in the corresponding investment option(s) unless you request otherwise) and combined with any additional superannuation benefits that you've accrued in or transferred into your Super Plan account
- some or all of your then combined Super Plan account balance is transferred back into a new Pension Plan account to commence a new pension
- unless you advise otherwise, the same details that applied to your previous Pension Plan account will apply to your new Pension Plan account, including:
  - pension amount (unless a new minimum payment amount is required under the law)
  - pension payment instructions (eg payment frequency, payment date, annual increase, drawdown order, bank account and any beneficiary (including reversionary) nomination)
  - any optional features (eg auto-rebalancing).

Please refer to the form available at [www.perpetual.com.au](http://www.perpetual.com.au) for more information to take advantage of this feature.

**You should seek financial advice before using the pension refresh facility as there are likely to be associated financial, taxation and social security implications from moving your benefits between superannuation and pension arrangements.**

### **Suspension of applications, switches and withdrawals**

In certain emergency situations which impact on the effective and efficient operation of a market for an asset held by an investment option or in circumstances where we otherwise consider it to be in the interests of members, we may choose to suspend the processing of all applications, switches or withdrawals for that investment option. This may include situations where:

- we cannot properly ascertain the value of an asset held by the investment option
- an event occurs that results in us not being able to reasonably acquire or dispose of assets held by the investment option
- an underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

Applications, withdrawals or switch requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

### **Interest earned on application and withdrawal accounts**

Contributions and proceeds of withdrawal requests (including pension payments) may be held in trust accounts prior to being processed. Expenses and taxes withheld during the winding up of a Fund are also held in an operations account. The accounts are non-interest bearing, however in the event this changes, any interest may be paid to PTCO or a related entity of PTCO for their services and will not be retained by the Trustee or paid to your Fund.

### **Instructions and changes**

Any changes to your name and all changes to bank account details must be made in writing by mail or scanned attachment to email. Only new bank account details can be added online.

Any acceptable changes made online or by phone can only be made after we've confirmed your identity.

Other conditions may apply depending on the way you provide instructions to us, as set out under 'Other conditions' in this section.

### **Authorised representative**

You can appoint a person, partnership or company as your authorised representative by nominating them on your 'Pension Plan application' form and having them sign in the relevant section. Your authorised representative will be empowered to act on your behalf in all matters relating to your investment in the Pension Plan.

Conditions apply to the appointment of an authorised representative, as set out under 'Other conditions' in this section.

### **Other conditions**

A member who appoints an authorised representative and/or uses myPerpetual or the phone or email facilities (as applicable) to transact or provide instructions to us:

- acknowledges that they are bound by the acts of their authorised representative
- releases, discharges and agrees to indemnify us, PTCO and each of our related entities from and against all losses, liabilities, actions, proceedings, accounts, claims and demands arising from instructions we receive under the facility and
- agrees that a payment or purported payment made according to the conditions of the facility shall be in complete satisfaction of our obligations or those of PTCO to the investor for a payment, even if it was requested, made or received without the knowledge or authority of the member.

### **myPerpetual online access**

myPerpetual offers easy and convenient online access for you to:

- receive reporting online, including any notifications we are required to provide under the Corporations Act (although there may be times when we will need to send correspondence to you in paper form – see 'Reporting' in the 'Additional information' section for further information)
- check the total value of your investment in the Pension Plan
- view your account summary, including the investment option(s) you are invested in, the number of units, unit price and current balance of the investment option(s)
- view details of your pension including pension start date, annual minimum pension amount and actual annual pension payment amount
- review your recent transaction history
- update your personal details
- update your investment strategy
- transact online.

Unless you indicate otherwise on your 'Pension Plan application' form, we'll send you relevant online access setup details and activation instructions.

### Conditions of use

Before you first use myPerpetual, you must accept the conditions of use, which are publicly available at [www.perpetual.com.au](http://www.perpetual.com.au) or can be obtained without charge by contacting us.

### Access by authorised representatives

If you appoint an authorised representative, you can request us to allow them online access to your account as follows:

- view your account only
- view and transact on your account (default access).

You can change your representative's access at any time by instructing us in writing.

### Access by your adviser

We'll also give your adviser online access to either:

- view details about your investment only
- view details about your investment and transact on your account on your behalf (default access).

Your adviser may extend to their authorised delegates, such as paraplanners and other support staff, the same level of online access you have determined for your adviser.

You can change your adviser's access at any time by instructing us in writing.

## How units are priced and investments are valued

Unit prices for each investment option are calculated by:

- establishing the net asset value of the investment option
- for entry unit prices – adding the applicable transaction costs (buy spread) to the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the entry unit price
- for exit unit prices – deducting the applicable transaction costs (sell spread) from the net asset value and then dividing the adjusted net asset value by the number of units on issue to determine the exit unit price.

We generally determine the net asset value of each investment option each business day. The net asset value is calculated by deducting the value of an investment option's liabilities from the value of its gross assets.

Investments of each investment option are valued at their market value, using a calculation method that we determine according to the Fund's Trust Deed. It will normally be based on the exit price of units in the underlying fund(s). We generally calculate and apply entry and exit unit prices each business day.

We can defer the calculation of unit prices where permitted by the Fund's Trust Deed and the law. For example, if significant delays occur where an underlying fund does not calculate or provide a price, unit prices may not be calculated nor applications, switches and withdrawals processed for that investment option until the underlying fund's unit price is determined.

## Delays in calculating and publishing unit prices

Occasionally there may be delays in receiving unit prices or investment valuations from the underlying specialist investment managers due to their finalisation of distributions or unforeseen circumstances. This restricts our ability to calculate and price the relevant investment option. Importantly, the timing of unit prices impacts processing transactions including applications, withdrawals and switches. When transactions are processed we'll generally use the applicable unit price you are entitled to, based on the date we received your completed transaction instruction.

## Anti-money laundering/counter-terrorism financing laws

In accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act), we are required to collect information with respect to your identity in certain circumstances. This verification process may occur when you join the Fund, commence a pension or make any withdrawal or in any other circumstances required by law.

To meet this legal requirement, we collect certain identification information and documentation (Know Your Customer (KYC) Documents). Existing members may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws., after previously having their identity verified. A delay in or refusal to provide the KYC Documents when requested may impact the services we are able to provide to you, including the processing of payments or withdrawals. We may rely on information, including identity verification details, provided by you to a third party (such as your financial adviser).

Under the AML/CTF Act, the Trustee may be required to submit reports to the Australian Transaction Reports and Analysis Centre (AUSTRAC). This may include the disclosure of your personal information. We may not be able to tell you when this occurs and, as a result, AUSTRAC may require us to deny you (on a temporary or permanent basis) access to your investments. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact.

## Your privacy

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so. We will disclose your personal information to PTCo and their related entities or other appointed service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- the types of entities we usually disclose personal information to and the countries where they are likely



to be located if it is practicable for us to specify those countries

- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint.

We may disclose your personal information to external parties that provide services to us in relation to your Fund (for example, external administrators, stockbrokers, investment managers, auditors and tax agents, banks and deposit taking institutions, life insurance companies, friendly societies, regulatory authorities, real estate agents, medical practitioners and providers of printing or postal services). We also disclose information about your investments to your authorised adviser. Otherwise we won't disclose your personal information to any other external parties unless requested by you or required by law.

The Trustee's privacy statement can be found at [www.eqt.com.au/global/privacystatement](http://www.eqt.com.au/global/privacystatement).

PTCo's privacy policy is available at [www.perpetual.com.au](http://www.perpetual.com.au).

If you have any queries or complaints about your privacy, please contact:

Privacy Officer, Equity Trustees  
Perpetual Select  
GPO Box 4171  
Sydney NSW 2001  
Phone: 1800 011 022  
Email: [superandpension@perpetual.com.au](mailto:superandpension@perpetual.com.au)

We may from time to time provide you with direct marketing and/or educational material about products and services we believe may be of interest to you. Should you not wish to receive this information (including by email or electronic communication), you have the right to opt out by contacting us, at the contact details above.

### Reporting to Centrelink

We may be required to report your investment balance, annual pension payment amount and other relevant personal information to Centrelink each year (regardless of whether you are a Centrelink client).

### Reporting to members

Members of the Fund receive:

- membership confirmation upon acceptance of your application
- an initial investment statement, generally within seven business days of your application being accepted and processed
- an investment restructure statement, generally within seven business days of any switch request being processed
- a withdrawal statement, generally within seven business days of any partial or full withdrawal request (except pension payments) being processed
- an annual statement providing details of your investment in the Pension Plan as at 30 June each year
- an annual report for the Fund for each financial year ending 30 June will be available at

[www.perpetual.com.au/annual-reports](http://www.perpetual.com.au/annual-reports) (copy by mail available on request)

- an annual pension review pack for each financial year, generally sent by the end of July
- confirmation of any other transactions that we are required to report on.

If you have provided an email address, you consent to receiving online communications (including via myPerpetual) and the above reporting will be made available via myPerpetual (see 'myPerpetual online access' in this section for further information), although there may be times when we will need to send correspondence to you in paper form.

### Trust Deed

The Trust Deed dated 1 March 1989 (as amended from time to time) and the law govern the operation of the Fund and the rights and obligations of members and the Trustee.

The Trust Deed is available at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy without charge on request.

In the event of any conflict between the terms of the PDS (including incorporated information) and the terms of the Trust Deed and relevant law, the provisions of the Trust Deed and relevant law will prevail. The Trustee reserves the right to amend the terms and conditions of the Fund, a product and/or any available account in accordance with the provisions of the Trust Deed and relevant law.

### Reserves

The Trustee maintains an operational risk reserve (ORR) to help satisfy the operational risk financial requirements under superannuation laws and APRA standards. It may also hold Trustee capital outside the Fund to meet these requirements. The reserve is operated in accordance with the Trustee's Operational Risk Financial Requirement (ORFR) strategy. The purpose of the reserve and any Trustee capital held outside the Fund towards satisfaction of the operational risk financial requirements, is to provide funding for incidents where losses may arise from operational risk relating to the Fund, part of the Fund or product(s). The level of Trustee capital and any ORR is determined by the Trustee based on an assessment of the risks faced by the Fund or its products (as applicable).

### Our liability

We can be indemnified from Fund assets for any liability incurred in respect of the Fund unless the liability arises from dishonesty or an intentional failure to exercise the degree of care and diligence required of us or such other act, omission or circumstance specified by the law.

### Your superannuation interest

Each unit in an investment option confers a proportional beneficial interest in the relevant investment option. But you're not entitled to any particular part of the investment option (or the underlying funds in which it invests), its assets or its management or operation.

### Tax

The taxation of super depends on your particular circumstances, so we recommend you see a tax adviser. The following summary information is general guide only. Tax rules are subject to change. You can find up to date information at [www.ato.gov.au](http://www.ato.gov.au).

## Pension Plan

### Tax on investments

The Pension Plan can't accept superannuation contributions. The only amounts that can be used to commence a pension are existing benefits that have been accumulated in the Fund or rollovers from other funds.

Generally, no tax is applied on superannuation amounts rolled over into the Pension Plan, unless they have come from an untaxed source and contain a taxable component (eg Government superannuation scheme). In this case, we are required to deduct income tax of generally 15% on the taxable component amount.

### Tax on investment earnings

#### General

Investment earnings including realised net capital gains derived within the Pension Plan are generally not subject to tax, unless you have a TTR pension.

#### Tax offsets

Where tax offsets accrue to the Pension Plan, but can be applied to reduce the tax payable by the Super Plan, we'll ensure they are utilised in a reasonable and equitable manner.

#### TTR pensions

The earnings on assets supporting TTR pensions will be taxed at the maximum rate of 15%, which is the same as the concessional tax rate applying to fund earnings on superannuation accumulation accounts.

## Members

### Benefits paid to members

When a superannuation benefit is received by a member, it may include both tax-free and taxable components, calculated in the same proportions as the total account balance when the pension commenced.

The taxable portion of any superannuation lump sum or pension benefit is subject to tax depending on your age when received, as shown in the following tables.

#### Tax on pension benefit payments

Component	Age benefit received	Tax treatment
Tax-free <sup>1</sup>	Any age	Tax-free
Taxable <sup>2</sup>	Before reaching age 60	Taxable at marginal tax rate <sup>3</sup>
	On or after reaching age 60	Tax-free

#### Tax on lump sum benefit payments

Component	Age benefit received	Tax treatment
Tax-free <sup>1</sup>	Any age	Tax-free
Taxable <sup>2</sup>	Before reaching age 60	Taxed at 20% <sup>3</sup>
	On or after reaching age 60	Tax-free

1 Includes non-concessional contributions and Government co-contributions from 1 July 2007 (plus the former undeducted contributions, pre-July 1983 (amount fixed as at 30 June 2007), post-June 1994 invalidity, CGT exempt and concessional components).

2 Includes concessional contributions from 1 July 2007 (plus the former post-June 1983 (taxed) and excessive components).

3. Plus Medicare levy.

#### Tax on death benefits

Payment rules and the tax consequences depend on whether the death benefit is paid to a dependant or non-dependant. A death benefit dependant for tax purposes is a:

- current or former spouse<sup>1</sup>
- child<sup>1</sup> under age 18
- person who was financially dependent on you at the time of your death or
- person who you have an 'interdependency relationship'<sup>1</sup> with.

1 See 'Dependants' under 'Death benefits' in the 'How super pensions work' section for definitions.

#### Death benefits paid to dependants

Lump sum death benefit payments are tax-free if paid to a dependant for tax purposes.

A death benefit paid as a pension will be tax-free if either the deceased or the beneficiary is aged 60 or over. If both are under age 60 at the time of death, the pension (less any tax-free amount) will continue to be taxed at the beneficiary's marginal tax rate (plus Medicare levy) less 15% pension tax offset until the beneficiary turns age 60, when it becomes tax-free.

If the death benefit is paid as a pension to a dependent child, the balance must be paid as a (tax-free) lump sum when the child turns 25 (unless permanently disabled).

#### Death benefits paid to non-dependants

Death benefit payments to non-dependants for tax purposes (eg an adult child) must be paid as a lump sum benefit. The taxable component of a death benefit paid to a non-dependant will normally be taxed at 15% (plus Medicare levy).

Where a death benefit contains an insurance amount, it may include an untaxed element. The untaxed component of a death benefit paid to a non-dependant will normally be taxed at 30% (plus Medicare levy).

#### Death benefits paid to your legal personal representative

If the death benefit is paid to your legal personal representative for distribution through your estate, any tax payable will depend on how the death benefit is ultimately distributed between your dependants and any non-dependants.

#### Tax on disability super benefits

A tax offset of 15% is generally available on disability super benefits paid as a pension to members under age 60.

#### Tax on terminal illness benefits

Generally no tax is payable on benefits that are paid to you under the 'terminal medical condition' condition of release (see the 'Conditions of release for superannuation benefits' table in the 'How super pensions work' section for details).



## Contact details

Please contact us using the contact details for PTCo below.

### Website

[www.perpetual.com.au](http://www.perpetual.com.au)

### Email

[superandpension@perpetual.com.au](mailto:superandpension@perpetual.com.au)

### Phone

During business hours (Sydney time)

1800 011 022

### Postal address

Perpetual Select Pension Plan  
GPO Box 4171  
Sydney NSW 2001

### Australian Capital Territory

Nishi Building  
Level 9  
2 Phillip Law Street  
Canberra ACT 2601

### New South Wales

Angel Place  
Level 18  
123 Pitt Street  
Sydney NSW 2000

### Queensland

Central Plaza 1  
Level 15  
345 Queen Street  
Brisbane QLD 4000

### South Australia

Level 11  
101 Grenfell Street  
Adelaide SA 5000

### Victoria

Rialto South Tower  
Level 29  
525 Collins Street  
Melbourne VIC 3000

### Western Australia

Exchange Tower  
Level 29  
2 The Esplanade  
Perth WA 6000

[www.perpetual.com.au](http://www.perpetual.com.au)