Perpetual WFIA-Perpetual Split Gr

Morningstar Category
Multisector Aggressive

Perpetual Split Growth fund remains a reasonable choice for investors seeking an allocation to domestic and international equities thought the value bias might limit the appeal. Head of multi-asset, Michael D’dea, competently leads this experienced group with each team member having lengthy track records in their areas of speciality. Geoff Ryan replaced Glenn Foster, who resigned in 2018. Joining from Commonwealth Superannuation Corporation, Ryan brings extensive multi-asset experience as well as skills in developing and implementing dynamic asset allocation models. The transition has been managed smoothly, so we are not concerned this change will affect the execution of the strategy. The process combines traditional, strategic asset allocation with in-house asset-class capabilities. The strategy invests 100% in growth assets comprising a 40% split in domestic equities and 60% in global equities. Unlike the conservative, diversified, and balanced multisector options, split growth does not employ tactical asset allocation, so asset-class exposure is derived solely from the combination of three in-house Perpetual capabilities. The domestic-equity component consists of Perpetual Industrial Share, which has a Morningstar Analyst Rating of Bronze. The international equities exposure is achieved by combining Perpetual Global Share fund and an internally developed quantitative strategy (Perpetual Economic Diversification Global Equity). While having sound underlying strategies, split growth has the Perpetual value tilt, which means the strategy can lag in markets led by growth stocks. Perpetual remains one of the most expensive ranges in the cohort, and this is indeed a strike against them. We find it hard to justify this high fee load for such a strategy based on a static allocation and fixed constituents; hence, we favour other choices in this category.

Fees
One-time
Entry Fee/Contribution Fee 0.00%
Exit Fee/Withdrawal Fee 0.00%
Buy/Sell Spread 0.38%

Annual
ICR pa (30 Jun 2019) 2.15%
Performance Fee pa (30 Jun 2019) NAV
Management Fee pa 2.10%
Admin Fee pa 0.00%

Operations
Investment Details
Ticker/APR Code 16776/FER0406AU
Fund Inception 10 Nov 2008
Fund Status Open
Net Assets (Mil) 30 Sep 2019 $24.45
Entry Price 01 Nov 2019 $1.0271
Exit Price 01 Nov 2019 $1.0252

Manager Info
Responsible Entity(RE) Perpetual Investment Management Ltd
RE Telephone +61 02 9229 9000

Top 5 Sector Workings % Assets
- Financial Services 25.18
- Consumer Cyclical 15.87
- Consumer Defensive 12.38
- Healthcare 10.20
- Industrials 9.16

Top 5 Countries % Assets
- Australia 34.78
- United States 33.18
- United Kingdom 8.19
- France 5.64
- Germany 4.38

Performance 30 Sep 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Morningstar Analyst Rating</th>
<th>Morningstar Rating</th>
<th>Growth of $10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>18.0</td>
<td>16.0</td>
<td>Fund $15,966</td>
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<tr>
<td>2015</td>
<td>14.0</td>
<td>12.0</td>
<td>Market Index $17,814</td>
</tr>
<tr>
<td>2016</td>
<td>10.0</td>
<td></td>
<td>Category $15,964</td>
</tr>
</tbody>
</table>

3-Year Risk Measures

<table>
<thead>
<tr>
<th>Category</th>
<th>Standard Deviation</th>
<th>Sharpe Ratio</th>
<th>R-Squared</th>
<th>Beta</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7.48</td>
<td>1.33</td>
<td>90.00</td>
<td>1.04</td>
<td>-2.04</td>
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<tr>
<td>Income</td>
<td>7.48</td>
<td>1.33</td>
<td>100.00</td>
<td>1.04</td>
<td>-2.04</td>
</tr>
<tr>
<td>Tax-Adj</td>
<td>7.48</td>
<td>1.33</td>
<td>100.00</td>
<td>1.04</td>
<td>-2.04</td>
</tr>
</tbody>
</table>

Morningstar Rating
Out of 123 funds as at 30 Sep 2019

Index: Morningstar Aus Msci Aggressive TR AUD

Portfolio 30 Jun 2019

<table>
<thead>
<tr>
<th>Composition (30 Sep 2019)</th>
<th>% Actual</th>
<th>% Benchmark</th>
<th>% Minimum</th>
<th>% Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>30.45</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
<tr>
<td>Int Equity</td>
<td>55.42</td>
<td>NAV</td>
<td>90.00</td>
<td>100.00</td>
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<tr>
<td>Listed Property</td>
<td>4.27</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
<tr>
<td>Unlisted Property</td>
<td>0.00</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
<tr>
<td>Dom Fixed Interest</td>
<td>0.00</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
<tr>
<td>Intl Fixed Interest</td>
<td>0.00</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
<tr>
<td>Cash</td>
<td>9.86</td>
<td>NAV</td>
<td>0.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
<td>NAV</td>
<td>NAV</td>
<td>NAV</td>
</tr>
</tbody>
</table>

Investment Details
Ticket/ APR Code 16776/FER0406AU
Fund Inception 10 Nov 2008
Fund Status Open
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Quick Stats
Morningstar Category: A fund category is based on exposure to asset classes, investment sectors, investment style, market-cap allocation, and associated risk and return characteristics of funds. The objective of the classification system is to groupings of funds which can be reasonably considered to be close investment alternatives and for which performance and other statistics such as fees are comparable.

Morningstar Analyst Rating: a qualitative assessment of five key pillars we believe will identify funds most likely to outperform over the long term on a risk-adjusted basis (People, Process, Parent, Performance, and Price). The Analyst Rating operates on a five-point scale: ‘Gold’, ‘Silver’, ‘Bronze’, ‘Neutral’, and ‘Negative’. ‘Under Review’ means that a change at a rated fund requires further review to determine the impact on the rating. ‘Not Ratable’ means that either a fund has failed to provide sufficient transparency to determine a rating, or that we are providing information on a new strategy where investors require guidance as to suitability, but there is not yet sufficient information to rate the fund.

Flagship Fund Analyst Rating: specific to platform versions of the relevant strategy. Australia and New Zealand funds carrying this rating have not been rated under the Morningstar Analyst Rating methodology. The Flagship Fund Analyst Rating recognises that platform versions can have negotiable fees and reliable representative cost data can be hard to come by. As a result, platform versions will retain the linkage and the rating of the Flagship share class.

Morningstar Rating: The rating is calculated for funds with at least a three-year history based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund’s monthly performance. The top 10% of funds in each peer group receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The peer group is determined by the fund’s Morningstar Category and Legal Type. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (for Australia) or three- and five-year (for New Zealand) Morningstar rating metrics.

Morningstar Take
The Morningstar Take is a summary of Morningstar’s overall opinion of the fund manager’s strategy and capabilities in the asset class. If Morningstar has not qualitatively reviewed the manager, the PDS Objective and Fund Investment Strategy will appear in its place.

Performance
The performance data given represents past performance and should not be considered indicative of future results.

Growth of $10,000: The graph compares the growth of $10,000 in a fund with that of a capital market index chosen by Morningstar and with that of the average fund in the fund's Morningstar peer group. The index is an unmanaged portfolio of specified securities. The index and the category average do not reflect any initial expenses however the category average returns are net of ongoing fees. A fund’s portfolio may differ significantly from the securities in the index.

Quartile Rank: The graph represents the fund’s total return percentile rank among funds in the same peer group. The black bar on the graph represents the quartile in which the fund-performance ranking falls. If the top quarter of the graph is shaded, for example, the fund performed among the top 25% of its category that year.

Total Return: Reflects performance without adjusting for sales charges but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of distributions.

Growth Return: The percentage change in the scheme’s soft close exit price adjusted for any capital re-organisation. Income return is the total return less growth return and reflects the level of distributions from a fund. For Australian funds, performance is not adjusted for taxation. For New Zealand PIE funds, tax credits are added back to the performance. For New Zealand non-PIE funds returns are calculated net of tax. Trailing returns for periods over one year are annualised.

Tax-Adjusted Return: A pre liquidation performance calculation for Australian funds only that assumes the taxed distribution amount is reinvested.

Risk Measures
Standard deviation: is a statistical measure of the volatility of the fund’s return.

Sharpe Ratio: A risk-adjusted measure calculated by using standard deviation and a fund’s Morningstar peer group determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund’s historical risk-adjusted performance.

Alpha: A measure of the difference between a portfolio’s actual returns and its expected performance, given its level of risk as measured by beta. A positive Alpha figure indicates the portfolio has performed better than its beta would predict.

Beta: A measure of a fund’s sensitive to market movements. If beta is greater than one, movements in value of the fund that are associated with movements in the value of the benchmark tend to be amplified.

R-Squared: Measures the relationship between a portfolio and its benchmark. R-squared can be used to ascertain the significance of a particular beta or alpha. Generally, a higher R-squared will indicate a more useful beta figure.

Fees
Entry Fee/Contribution Fee: The amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client for the product.

Exit Fee/Withdrawal Fee: The amount paid or payable on the disposal of all interests held in a financial product.

Buy/Sell Spread: The difference between the price at which you can buy a unit and sell a unit on any given day. This is a transaction cost incurred by the investor that reflects the actual or estimated transaction costs incurred by the fund in dealing with the underlying securities.

IIR: The Indirect Cost Ratio is a ratio of the fund’s management costs that are not deducted directly from a member’s or product holder’s account, to the fund’s total average net assets. Note: Dollar-based fee charged directly against a member’s account, such as a $1 per week management cost is not included in the IIR.

MEP: The Management Expense Ratio, usually expressed as an annual percentage figure as a proportion of the Net Asset Value of the Fund, is the amount of an investor’s money invested the Fund Manager takes each year to pay for the costs of operating and marketing the Fund.

Performance Fee: The amount paid or payable, calculated by reference to the performance of a product or fund above a specified hurdle rate.

Management Fee: The percentage deducted from a fund’s average net assets to pay the investment manager for managing the fund’s investments. For tiered fee structures, it is the highest fee. It is collected from the prospectus.

Admin Fee: The percentage fee deducted for general administration of the fund. For tiered fee structures, it is the highest fee.

Portfolio
Composition: The graph represents a breakdown of the fund’s holdings into general investment classes based on surveyed data provided by the fund manager.

Morningstar Style Box: For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond’s duration (limited, moderate or extensive)

Top 10 Stock Holdings: The largest equity exposure of a fund’s portfolio. Portfolio holdings information is based on the most recent information available to Morningstar.

Top 5 Sector Weightings: The Morningstar sector structure divides the stock universe into 129 industries ranging from semiconductors to medical equipment. These industries are classified into 41 industry groups, which are then used to construct 12 separate sectors.

Top 5 Countries: The largest geographical exposure of a fund’s stock assets. Country assignments are based on the primary exchange where each stock is traded.