



| LEA 02 | Disclosures: Mandatory | Reason for Interaction | Principle: PRI 1, 2, 3 |
|--|---|---|------------------------|
| Individual/ internal staff engagements | <p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | <p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | |
| Collaborative engagements | <p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | <p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | |
| Service provider engagements | <p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | <p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p> | |

RI TRANSPARENCY REPORT

2014/15

Perpetual Investments

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status |
|--------|---|
| ✓ | The signatory has completed all mandatory parts of this indicator |
| ☑ | The signatory has completed some parts of this indicator |
| 🔒 | This indicator was not relevant for this signatory |
| - | The signatory did not complete any part of this indicator |
| Ⓜ | The signatory has flagged this indicator for internal review |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

| Organisational Overview | | | | Principle | | | | | | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OO 01 | Signatory category and services | ✓ | Public | | | | | | | ✓ |
| OO 02 | Headquarters and operational countries | ✓ | Public | | | | | | | ✓ |
| OO 03 | Subsidiaries that are separate PRI signatories | ✓ | Public | | | | | | | ✓ |
| OO 04 | Reporting year and AUM | ✓ | Public | | | | | | | ✓ |
| OO 05 | Breakdown of AUM by asset class | ✓ | Asset mix disclosed in OO 06 | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Segregated mandates or pooled funds | ✓ | Private | | | | | | | ✓ |
| OO 08 | Breakdown of AUM by market | ✓ | Private | | | | | | | ✓ |
| OO 09 | Additional information about organisation | ✓ | Public | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | ✓ | Public | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | ✓ | Public | | | | | | | ✓ |
| OO 12 | Modules and sections required to complete | ✓ | Public | | | | | | | ✓ |

| Overarching Approach | | | | Principle | | | | | | General |
|----------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| OA 01 | RI policy and other guidance documents | ✓ | Public | | | | | | | ✓ |
| OA 02 | Publicly available policies / documents | ✓ | Public | | | | | | | ✓ |
| OA 03 | Policy components and coverage | ✓ | Public | ✓ | ✓ | | | | | |
| OA 04 | Conflicts of interest | ✓ | Public | | | | | | | ✓ |
| OA 05 | RI goals and objectives | ✓ | Public | | | | | | | ✓ |
| OA 06 | Main goals/objectives this year | ✓ | Private | | | | | | | ✓ |
| OA 07 | Governance, management structures and RI processes | ✓ | Public | | | | | | | ✓ |
| OA 08 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| OA 09 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| OA 10 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| OA 11 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| OA 12 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | ✓ | Private | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| OA 15 | ESG issues for internally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| OA 16 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| OA 17 | RI/ESG in execution and/or advisory services | ✓ | Private | ✓ | ✓ | | | | | |
| OA 18 | Innovative features of approach to RI | ✓ | Public | | | | | | | ✓ |
| OA 19 | Internal and external review and assurance of responses | ✓ | Private | | | | | | | ✓ |

| Direct - Listed Equity Incorporation | | | | Principle | | | | | | General |
|--------------------------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEI 01 | Breakdown by passive, quantitative, fundamental and other active strategies | ✓ | Public | ✓ | | | | | | |
| LEI 02 | Description of ESG incorporation | ✓ | Public | ✓ | | | | | | |
| LEI 03 | Percentage of each incorporation strategy | ✓ | Public | ✓ | | | | | | |
| LEI 04 | Type of ESG information used in investment decision | ✓ | Private | ✓ | | | | | | |
| LEI 05 | Information from engagement and/or voting used in investment decision-making | ✓ | Private | ✓ | | | | | | |
| LEI 06 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| LEI 07 | Processes to ensure screening is based on robust analysis | ✓ | Public | ✓ | | | | | | |
| LEI 08 | Processes to ensure fund criteria are not breached | ✓ | Private | ✓ | | | | | | |
| LEI 09 | Types of sustainability thematic funds/mandates | ⚡ | n/a | ✓ | | | | | | |
| LEI 10 | Description of ESG integration | ✓ | Public | ✓ | | | | | | |
| LEI 11 | Review ESG issues while researching companies/sectors | ✓ | Public | ✓ | | | | | | |
| LEI 12 | Processes to ensure integration is based on robust analysis | ✓ | Private | ✓ | | | | | | |
| LEI 13 | Aspects of analysis ESG information is integrated into | ✓ | Private | ✓ | | | | | | |
| LEI 14 | ESG issues in index construction | ⚡ | n/a | ✓ | | | | | | |
| LEI 15 | How ESG incorporation has influenced portfolio composition | ✓ | Public | ✓ | | | | | | |
| LEI 16 | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓ | Private | ✓ | | | | | | |
| LEI 17 | Examples of ESG issues that affected your investment view / performance | ✓ | Private | ✓ | | | | | | |
| LEI 18 | Disclosure of approach to ESG incorporation | ✓ | Public | | ✓ | | | | | ✓ |

| Direct - Listed Equity Active Ownership | | | | Principle | | | | | | General |
|---|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEA 01 | Description of approach to engagement | ✓ | Public | | ✓ | | | | | |
| LEA 02 | Reasoning for interaction on ESG issues | ✓ | Public | ✓ | ✓ | ✓ | | | | |
| LEA 03 | Process for identifying and prioritising engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 04 | Objectives for engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 05 | Process for identifying and prioritising engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 06 | Objectives for engagement activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 07 | Role in engagement process | 🔒 | n/a | | ✓ | | ✓ | | | |
| LEA 08 | Monitor / discuss service provider information | 🔒 | n/a | | ✓ | | | | ✓ | |
| LEA 09 | Share insights from engagements with internal/external managers | ✓ | Private | ✓ | ✓ | | | | | |
| LEA 10 | Tracking number of engagements | ✓ | Public | | ✓ | | | | | |
| LEA 11 | Number of companies engaged with, intensity of engagement and effort | ✓ | Private | | ✓ | | | | | |
| LEA 12 | Engagements on E, S and/or G issues | ✓ | Private | | ✓ | | | | | |
| LEA 13 | Companies changing practices / behaviour following engagement | ✓ | Private | | ✓ | | | | | |
| LEA 14 | Examples of ESG engagements | ✓ | Private | | ✓ | | | | | |
| LEA 15 | Disclosure of approach to ESG engagements | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 16 | Description of approach to (proxy) voting | ✓ | Public | | ✓ | | | | | |
| LEA 17 | Typical approach to (proxy) voting decisions | ✓ | Public | | ✓ | | | | | |
| LEA 18 | Percentage of voting recommendations reviewed | 🔒 | n/a | | ✓ | | | | | |
| LEA 19 | Confirmation of votes | ✓ | Private | | ✓ | | | | | |
| LEA 20 | Securities lending programme | ✓ | Private | | ✓ | | | | | |
| LEA 21 | Informing companies of the rationale of abstaining/voting against management | ✓ | Public | | ✓ | | | | | |
| LEA 22 | Percentage of (proxy) votes cast | ✓ | Public | | ✓ | | | | | |
| LEA 23 | Proportion of ballot items that were for/against/abstentions | ✓ | Public | | ✓ | | | | | |
| LEA 24 | Shareholder resolutions | ✓ | Private | | ✓ | | | | | |
| LEA 25 | Examples of (proxy) voting activities | ✓ | Private | | ✓ | | | | | |
| LEA 26 | Disclosing voting activities | ✓ | Public | | ✓ | | | | ✓ | |

Perpetual Investments

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Australia

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

204

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

30/06/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | 27 | 909 | 952 | 518 |
| Currency | AUD | | | | |
| Assets in USD | | 25 | 936 | 737 | 877 |

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 37 | 175 | 273 |
| Currency | AUD | | | | |
| Assets in USD | | | 34 | 547 | 007 |

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

| | Internally managed (%) | Externally managed (%) |
|--|------------------------|------------------------|
| | | |

| | | |
|---------------------------|--------|------|
| Listed equity | >50% | <10% |
| Fixed income – corporate | <10% | 0 |
| Fixed income – government | 0 | 0 |
| Fixed income – other | 0 | 0 |
| Private debt | <10% | 0 |
| Private equity | 0 | 0 |
| Property | <10% | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |
| Forestry | 0 | 0 |
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| Cash | 10-50% | 0 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

| | | | |
|--------------|------------------|--------------------|----------------|
| OO 09 | Voluntary | Descriptive | General |
|--------------|------------------|--------------------|----------------|

| | |
|----------------|---|
| OO 09.1 | Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities. |
|----------------|---|

Perpetual Investments is part of Perpetual Limited, an independent and diversified financial services group providing specialised investment management, wealth advice and corporate fiduciary services to individuals, families, financial advisers and institutions. Perpetual Limited is one of Australia's oldest financial institutions with a proud history of helping Australians protect and manage their wealth through both prosperity and adversity. Our origin as a trustee company, together with our outstanding performance track record in investment management, has built our reputation as one of the most respected brands in financial services in Australia. Our passion is to protect and grow our clients' wealth with our vision to be Australia's largest independent wealth manager of choice.

Perpetual Investments is one of Australia's most highly regarded investment fund managers, offering a broad range of products for personal investment, superannuation and retirement to individuals, advisers and institutions. We

have strong investment capabilities across a range of asset classes including equities, fixed income, global and diversified strategies.

Perpetual Investments has a long-standing commitment to responsible investment, and in 2009 Perpetual Investments became a signatory to the United Nations Principles for Responsible Investment (PRI).

Gateway asset class implementation indicators

| | | | |
|-------|-----------|---------|---------|
| OO 10 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

| | | | |
|-------|-----------|---------|---------|
| OO 11 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Private debt
- Property
- Cash
- None of the above

| | | | |
|-------|-----------|---------|---------|
| OO 12 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

OO 12.1 The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

Listed Equity incorporation

Direct - Listed Equity active ownership

Engagements

(Proxy) voting

Closing module

Closing module

DRAFT

Perpetual Investments

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01

Mandatory

Gateway/Core Assessed

General

OA 01.1

Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2

Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3

Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

SCOPE

Perpetual Investments Responsible Investment (RI) policy applies to our employees responsible for making active investment decisions, including investment analysts and portfolio managers, across strategies that cover:

- Australian equities
- Global equities
- Listed and unlisted property securities
- Credit and fixed income, including cash; and
- Diversified strategies.

POLICY - INVESTMENT DECISION MAKING

It is our policy that, to the extent that information is available, investment managers should incorporate ESG issues into investment analysis and decision making. When deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks that are relevant to the current or future value of the investment. This is consistent with our obligations as a PRI signatory. However we note that the ways and means of practically applying the PRI principles are still developing, and implementing this policy across all asset classes will take time.

POLICY - OWNERSHIP PRACTICES

It is our policy that investment managers have a duty to use their influence as a shareholder/asset manager in order to achieve better investment outcomes over the long term. From an ESG perspective this means encouraging the Boards and management of investee companies to identify and manage relevant ESG risks and opportunities effectively, be transparent, honest and accountable and implement corporate structures and management incentives which ensure the company is managed in the long-term interests of shareholders (which includes sustainable business practices).

ROLES AND RESPONSIBILITIES

- The Group Executive, Perpetual Investments who reports directly to the CEO, Perpetual Limited is accountable for all aspects of Perpetual's RI policy.
- The Manager, Responsible Investment is responsible for the development and maintenance of Perpetual's RI framework and policies.
- This policy has been endorsed by all Perpetual's key asset managers.

| | | | |
|-------|-----------|---------------|-------|
| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|

OA 02.1 Indicate if your responsible investment policy is publicly available.

Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

| Policy or document name | URL |
|---------------------------------------|---|
| Corporate Governance and Proxy Voting | http://www.perpetual.com.au/pdf/Proxy-voting-policy-flyer-wl.pdf |

No

| | | | |
|-------|-----------|---------------|---------|
| OA 03 | Mandatory | Core Assessed | PRI 1,2 |
|-------|-----------|---------------|---------|

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

| Policy components/types | Coverage by AUM |
|--|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify | <input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

| | | | |
|-------|-----------|---------------|---------|
| OA 04 | Mandatory | Core Assessed | General |
|-------|-----------|---------------|---------|

| | |
|---------|---|
| OA 04.1 | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process. |
|---------|---|

Yes

| | |
|---------|--|
| OA 04.2 | Describe your policy on managing potential conflicts of interest in the investment process. [Optional] |
|---------|--|

Two such policies apply to Perpetual Investments (as part of Perpetual Limited):

- Group Policy - Conflicts of Interest (Personal); and
- Group Policy - Conflicts of Interest (Corporate).

Group Policy - Conflicts of Interest (Personal)

A personal conflict of interest arises when an employee of Perpetual has individual interests which conflict or compete with their duty and obligations to act in the best interests of Perpetual's stakeholders. All Perpetual employees are expected to act in the best interests of Perpetual and its stakeholders. As such, employees should at all times be conscious of circumstances that create or could potentially create a personal conflict of interest, such as office holdings (e.g. directorships), related parties, material personal interests and receiving gifts.

The policy covers:

- Identifying and Reporting Conflicts of Interest
- Managing Conflicts of Interest
- Directors and Responsible Managers specific responsibilities
- Roles and Responsibilities

Group Policy - Conflicts of Interest (Corporate)

A corporate conflict of interest arises when Perpetual has competing interests or duties which impair or interfere with its ability to exercise independent judgement in decision-making processes.

The policy covers:

- Categories of Corporate Conflicts of Interest
- Identifying and Reporting Conflicts of Interest
- Managing Conflicts of Interest
- The Conflicts of Interest Committee
- Roles and Responsibilities

- Consequences of Non-Compliance with Policy
- Corporate Conflicts of Interest Register

We also have numerous other internal policies covering a number of issues, including:

- Fund manager conduct during corporate actions
- Personal trading
- Trade allocation

No

Objectives and strategies

| | | | |
|-------|-----------|-----------------------|---------|
| OA 05 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

OA 05.4 Additional information. [Optional]

The Manager, Responsible Investment, in consultation with the Group Executive, Perpetual Investments, sets and measures our progress in achieving our Responsible Investment objectives.

Governance and human resources

| | | | |
|-------|-----------|-------------|---------|
| OA 07 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

- The Group Executive, Perpetual Investments, who reports directly to the Perpetual Group CEO is accountable for all aspects of Perpetual's Responsible Investment (RI) policy.
- The Manager, Responsible Investment is responsible for the development and maintenance of Perpetual's RI framework and policies. Perpetual's RI framework includes the support, monitoring and reporting elements necessary to ensure transparent and thorough implementation of this policy.
- The Manager, Responsible Investment assists Perpetual Investments' investment teams (e.g. analysts and portfolio managers) fulfill their ESG obligations.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
- Other role, specify

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Participation in ESG initiatives such as the Board Confidence Index
- Consultation and collaboration re ad-hoc ESG issues

- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
FSC (Financial Services Council) ESG Working Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Provided Chairman and additional member to ESG working group, and significant content re submissions, etc.
- Other collaborative organisation/initiative, specify
Responsible Investment Association of Australia (RIAA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- RIAA certification on PI's ESG specialist investment products (e.g Ethical SRI strategy)
- Other collaborative organisation/initiative, specify
 - Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

- Education documents on ethical/SRI investing
- ESG integration and collaborative activities promote better RI practises/PRI membership
- Ethical and other ESG-related speeches and presentations
- Thought leadership and other ESG papers

Innovation

OA 18

Voluntary

Descriptive

General

OA 18.1

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

OA 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

1. ESG Engagement - Taking Action

Perpetual Investments has demonstrated innovation in our approach to engaging with listed companies on ESG issues, by not just talking to management and Boards but actually initiating change through our own initiatives. One example is our effort to unlock value and improve governance for all shareholders in the listed Brickworks / WH Soul Pattinson companies. Perpetual has independently formulated and proposed governance and other changes (including calling our own shareholder meetings) to bring these issues to a head. Our actions include:

- twice proposing the appointment of additional independent directors, to encourage both Board renewal and closer company adherence to accepted governance standards (including we believe proposing the first female director to either Board); and

- proposing transactions to unwind the current cross-shareholding structure, which we believe is poor governance for a number of reasons and is restricting the underlying value in both companies being released to shareholders.

2. ESG Dashboards

An internally-designed and generated ESG Dashboard lists material ESG risks (or 'red-flags') for each investee company, drawing on both internal and external research sources. The Dashboards plus the raw ESG data is fully integrated into our front office investment management system (FactSet), and all Dashboards are immediately broadcast/available to the entire equities team, including via mobile devices. This promotes the consideration of ESG risks (i.e. PRI Principle 1) as a truly mainstream activity for all equities analysts and portfolio managers.

No

DRAFT

Perpetual Investments

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- Passive
- Active – quantitative (quant)
- Active – fundamental and other active strategies

% of internally managed listed equities

- <10%
- 10-50%
- >50%

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues into listed equity investments.

Motivation

It is our policy that, to the extent that information is available, investment managers should incorporate ESG issues into investment analysis and decision making. This is consistent with our obligations as a PRI signatory, and our duty to our clients to seek the best risk-adjusted investment returns over specified time periods.

Incorporation Strategies

Incorporating ESG issues into our investment process means both investment research (analysts) and portfolio construction (portfolio managers). Both analysts and portfolio managers are required to take ESG risks into account in their investment decision-making.

This occurs in two ways:

- ESG elements in our Quality Filters (an exclusion screen) - companies that fail our Quality Filters are not considered for investment; and
- an internally-generated ESG Dashboard lists material ESG risks (or 'red-flags') for each company that passes our Quality Filters (an ESG integration tool).

These processes allow our analysts to directly meet their obligation of considering ESG risks in their stock ranking decision (buy or sell). The ESG Dashboard also serves as an ESG engagement tool, in that the material ESG risks highlighted provide a suggested list of ESG engagement issues.

The ESG Dashboard has been integrated into Perpetual's Internal Research Note system - this system brings the integration of ESG issues into the mainstream day-to-day activities of analysts and portfolio managers. In terms of portfolio construction, portfolio managers consider this and other information in formulating their buy/sell/hold/not buy decision, thereby allowing our portfolio managers to meet their ESG integration obligations.

Responsibility

- The Group Executive - Perpetual Investments is accountable for all aspects of Perpetual's RI policy.
- The Manager, Responsible Investment is responsible for the development and maintenance of Perpetual's RI framework and policies, and assisting other investment professionals as per below.

- Analysts and portfolio managers are responsible for incorporating ESG issues into their decision-making, assisted by the Manager, Responsible Investment.

ESG incorporation in actively managed listed equities

Implementation processes


| | | | |
|--------|-----------|-----------------------|-------|
| LEI 03 | Mandatory | Gateway/Core Assessed | PRI 1 |
|--------|-----------|-----------------------|-------|

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

| | |
|--|--|
| Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%) |  97 |
|--|--|

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

| | |
|---|---|
| Percentage of active listed equity to which no incorporation strategy is applied - you may (estimate +/- 10%) |  3 |
|---|---|

Total actively managed listed equities

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

- All of the Australian equities managed by Perpetual's Investments internal equities team (the above 97% of AUM) is covered by the ESG incorporation process (Quality Filters exclusion screen and ESG Dashboard integration process) as described in LEI 02.1. This is consistent with our approach to responsible investment and ESG issues as described in previous modules.
- Note that a small (<10%) of this AUM is managed in two specialist ESG equities strategies - our Sustainable Shares and Ethical SRI strategies, where additional ESG exclusion screens apply.
- The remaining 3% of our AUM above where no ESG incorporation applies is managed internally in smaller funds, (e.g. quant/smart Beta strategies).

(A) Implementation: Screening**LEI 06****Mandatory****Descriptive****PRI 1****LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We negatively screen by:

- Our Quality Filters (which apply to all the funds/products managed by our equities team) include ESG issues. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment.
- In addition, two of these strategies (Sustainable and Ethical SRI) have additional screens to exclude a further set of companies that rate poorly on sustainability and ethical SRI issues respectively (for these two strategies only).

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Quality Filters

Our Quality Filters (which apply to all the funds/products managed by our equities team) include ESG issues. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment. These filters have been a core element of Perpetual's investment process for many years.

Sustainable Shares and Ethical SRI strategies

The Manager, Responsible Investment has formulated filtering processes for these strategies to identify and exclude companies that rate poorly on sustainability and ethical SRI issues respectively, using external ESG research. The portfolio managers of these strategies are subsequently prohibited from buying these companies, and must divest any such companies already held.

The Manager, Responsible Investment is responsible for ensuring these filters are up-to-date (by design) and are regularly re-run to capture new companies and new company or external research information.

Any criteria changes are processed through a defined internal approval process and communicated to clients as needed.

LEI 07

Mandatory

Core Assessed

PRI 1

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 07.2

Additional information. [Optional]

Please note, the above responses apply only to the screening processes that apply to our two specialist ESG screened strategies (Sustainable and Ethical SRI).

The Quality Filters (including ESG) screening that applies across all equities products managed by the team is conducted based only on internal research. The more intensive ESG research occurs through the ESG Dashboard (ESG integration) process described in LEI 02.1 and LEI 10.1, which applies to all stocks passing the Quality Filters.

(C) Implementation: Integration of ESG issues

| | | | |
|--------|-----------|-------------|-------|
| LEI 10 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|

| | |
|----------|---|
| LEI 10.1 | Describe how you integrate ESG factors into investment decision making processes. |
|----------|---|

Motivation

It is our policy that, to the extent that information is available, investment managers should incorporate ESG issues into investment analysis and decision making. This is consistent with our obligations as a PRI signatory, and our duty to our clients to seek the best risk-adjusted investment returns over specified time periods.

For us, the consideration of ESG factors does not include making ethical or moral judgments on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks that are relevant to the current or future value of the investment.

Integration Strategies

Integrating ESG issues into our process means both investment research (analysts) and portfolio construction (portfolio managers). Both analysts and portfolio managers are required to take ESG risks into account in their investment decision-making.

Investment Research

ESG issues have always been considered in our assessment of the quality of a company through our extensive fundamental research. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment (i.e. this step is an exclusion screen)

To enhance our ESG research on companies that pass our Quality Filters, we engage a number of external specialist research groups to provide additional ESG related company research. This information, along with our analyst's research and views is filtered and collated in an internally-generated ESG Dashboard (our primary ESG Integration tool) that lists material ESG risks (or 'red-flags') for each company. This tool allows the analyst to directly meet their obligation of considering ESG risks in their stock ranking decision (buy or sell), drawing on both internal and external research sources. The ESG Dashboard process has been developed and is maintained by the Manager, Responsible Investment in recent years after we became a PRI signatory in 2009.

The ESG Dashboard also serves as an ESG engagement tool, in that the material ESG risks highlighted provide a suggested list of ESG engagement issues which analysts and portfolio managers can raise with company Boards and executives.

Portfolio Construction

The ESG Dashboard has been integrated into Perpetual's Internal Research Note (IRN) system - this system automatically broadcasts any new material internal company research (e.g. analyst's earnings forecast or ranking changes, meeting/engagement notes, ESG Dashboards, etc.) to the entire equities team. All IRNs are also loaded and available to the team on FactSet (our equity research software). Including the ESG Dashboard in this process brings the incorporation of ESG issues into the mainstream day-to-day activities of analysts and portfolio managers.

In terms of portfolio construction, portfolio managers consider analyst information (i.e. rankings, other IRN information including ESG Dashboards) and other information in formulating their buy/sell/hold/not buy decision. The IRN process of broadcasting all ESG Dashboards to the entire team (i.e. including all portfolio managers) provides material ESG information directly to inform this decision. The IRN-integrated ESG Dashboard has significantly improved the ability of analysts and portfolio managers to consider ESG factors in their daily investment activities.

Responsibility

- The Group Executive - Perpetual Investments is accountable for all aspects of Perpetual's RI policy.
- The Manager, Responsible Investment is responsible for the development and maintenance of Perpetual's RI framework and policies, and assisting other investment professionals as per below.
- Analysts and portfolio managers are responsible for integrating ESG issues into their decision-making, assisted by the Manager, Responsible Investment.

| | | | |
|--------|-----------|---------------|-------|
| LEI 11 | Mandatory | Core Assessed | PRI 1 |
|--------|-----------|---------------|-------|

| | |
|----------|---|
| LEI 11.1 | Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies. |
|----------|---|

| ESG issues | Coverage/extent of review on these issues |
|----------------------|---|
| Environmental | <input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues |
| Social | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues |
| Corporate Governance | <input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues |

| | |
|----------|------------------------------------|
| LEI 11.2 | Additional information. [Optional] |
|----------|------------------------------------|

Our Quality Filters and ESG Dashboard processes address these ESG risks systematically.

Outputs and outcomes

| | | | |
|--------|-----------|-------------|-------|
| LEI 15 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|

| | |
|----------|---|
| LEI 15.1 | Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe. |
|----------|---|

Screening

Describe any reduction in your starting investment universe or other effects.

ESG issues have always been considered in our assessment of the quality of a company through our extensive fundamental research. The first of our Quality Filters, Sound Management, includes an assessment of the governance (G) practices of a company and management. The third of our quality filters, Quality of Business, includes an assessment of issues such as environmental (E) and social (S) factors that may impact the future performance of a company. Companies that fail our Quality Filters are not considered for investment.

Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 15.2 Additional information.

Our analysts consider key ESG risks (contained in our ESG Dashboards) in stock ranking (over or underweight) decisions which are communicated to portfolio managers.

Portfolio construction - our ESG Dashboards communicate key ESG risks to portfolio managers so they may consider same in their investment decision-making.

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

We disclose it publicly

Provide URL

<http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

LEI 18.3

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.6

Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 18.7

Additional information. [Optional]

We highly value our clients and provide additional information and support to them (over and above our public disclosure). However we believe our public disclosure on ESG integration is sufficient.

Perpetual Investments

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

| | | | |
|--------|-----------|-------------|-------|
| LEA 01 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

As set out in our Responsible Investment Policy, the purpose of our ESG engagement activities is to bring forward ideas or changes to our investee companies that we believe will benefit the company and its stakeholders such as shareholders. This include raising concerns on current approaches to managing ESG risk so as to encourage improved performance and disclosure.

Our Responsible Investment Policy also refers to our ESG engagement activities within the broader context of being a responsible investor, and the broader benefits which improved corporate ESG practices can bring including:

- Higher standards of business conduct;
- Increased market efficiency;
- Sustainable environmental management, and
- Ultimately a more cohesive and fairer society.

Our engagement efforts are typically conducted by our Australian equities professionals, on a one-on-one basis with company Boards and senior management, as part of our frequent company contact programme (rather than on any formal collaborative basis). Perpetual investors benefit from one of the largest, most experienced Australian equities teams in the Australian market, with ample resources to pursue the above engagement goals.

| | | | |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

| Type of engagement | Reason for interaction |
|--|---|
| Individual/Internal staff engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff |
| Collaborative engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers |

Process

Process for engagements run internally

| | | | |
|---------------|------------------|----------------------|--------------|
| LEA 03 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- Yes
 No

LEA 03.3 Additional information. [Optional]

Our investment decision-makers carry out this engagement where it is material and relevant to their investment decision making. Principally, our large team of equity analysts are responsible for research and engaging with their companies. It is unnecessary for analysts to justify their engagement priorities versus another analysts' priorities (on ESG or otherwise). Such a process would be time-consuming and counter-productive, distracting analysts from value-add work. We do not run top-down ESG 'campaigns' targeting one specific ESG issue across multiple companies (i.e. where some prioritisation may be required).

| | | | |
|---------------|------------------|----------------------|--------------|
| LEA 04 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

Our analysts and portfolio managers are responsible for monitoring companies for their activities across ESG and non-ESG issues, including the outcome of our engagement activities. The Manager, Responsible Investment collects individual examples of ESG engagement for reporting purposes.

- No

LEA 04.4 Additional information. [Optional]

If we engage we are doing so with a specific purpose/objective in mind - purposeless engagement would be pointless and a distraction for both the investor and the company.

General processes for all three groups of engagers

LEA 10

Mandatory

Gateway/Core Assessed

PRI 2

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

| Type of engagement | Tracking engagements |
|--|---|
| Individual / Internal staff engagements | <ul style="list-style-type: none"> <input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements |

LEA 10.2 Additional information. [Optional]

Perpetual's analysts and portfolio managers conduct and participate in hundreds of company meetings a year, with listed companies themselves, related peers/suppliers, etc., on a broad range of ESG and non-ESG issues, at a range of forums, individually and collectively, and for both information-gathering and engagement purposes. We typically do not 'segregate' meetings by the above aims, nor by issue categorization (ESG and non-ESG) as this would often be impractical. We believe it would be unworkable to impose a rigid, time-consuming process where it is mandatory for investment professionals to document every single company engagement point relating to every company. Analysts and portfolio managers share relevant, material ESG and other company information with the rest of the team via the IRN and other systems/forums as needed.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<http://www.perpetual.com.au/pdf/Proxy-Voting-Summary.pdf>

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 15.4 | Indicate how frequently you typically report engagements information to the public.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

LEA 15.5 | Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

More detailed information on the above for the benefit of our clients

LEA 15.6 | Indicate how frequently you typically report engagements information to clients/beneficiaries.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8 | Additional information. [Optional]

We highly value our clients and provide additional information and support to them (over and above our public disclosure).

(Proxy) voting and shareholder resolutions

Overview

| | | | |
|---------------|------------------|--------------------|--------------|
| LEA 16 | Voluntary | Descriptive | PRI 2 |
|---------------|------------------|--------------------|--------------|

| | |
|-----------------|--|
| LEA 16.1 | Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable). |
|-----------------|--|

Our Corporate Governance and Proxy Voting Policy sets this out:

<http://www.perpetual.com.au/pdf/Proxy-voting-policy-flyer-wl.pdf>

while our Responsible Investment (RI) Policy (www.perpetual.com.au/responsibleinvesting.aspx) covers our ownership practices.

Proxy voting rights are a valuable asset of the investor and are intrinsically linked to the expression of our views on corporate governance practices and to our monitoring of the corporate governance performance of the companies we invest in.

Perpetual Investments supports the ASX and the Financial Services Council governance standards. We support commonly accepted good corporate governance practices, covering the following areas:

- Respect for shareholders
- Board function (independence, etc.)
- Audit
- Remuneration

Perpetual Investments will monitor the corporate governance practices of companies through independent research, proxy voting advice, and our investment analyst's in-depth knowledge of the company. Where we perceive a company's corporate governance has some material deficiencies, we will seek to engage with the company through direct contact at senior levels, plus exercising influence through other means, including through the company's advisers, voting against management resolutions at shareholder's meetings, etc.

Proxy Voting

Voting at company meetings is carried out by us on all resolutions where Perpetual Investments has the voting authority and responsibility to do so*. Perpetual Investments will vote on all company resolutions regardless of the 'materiality' of that resolution. All resolutions are considered on a case by case basis with consideration from both the analyst who covers the company and the Manager, Responsible Investment. Voting recommendations are then put to the Head of Equities for consideration and signing. Voting decisions will be made in the clients' best interests.

To assist in decision making we subscribe to independent external proxy advisory services. These services analyze the key governance issues in each company and provide recommendations on constructive communication by institutions with the company on those issues. They also analyze resolutions submitted by management for shareholder approval at annual or other general meetings and provide voting recommendations on those resolutions. While we consider these recommendations the final decision is made by the Head of Equities.

Perpetual Investments has filed/or co-filed shareholder resolutions where we believe we have initiatives that will benefit all shareholders, through improved ESG practices or other strategies. A recent example is our efforts to improve corporate governance and unwind the W.H. Soul Pattinson/Brickworks cross-shareholding structure.

As a minimum, Perpetual Investments complies with Financial Services Council standards on disclosure, i.e. we publish annually on our website our Australian Proxy Voting records for the previous year.

** Subject to practical impediments - primarily markets where share blocking and Power of Attorney (POA) regulations apply. Investment in these markets typically represents a very small percentage of our internal assets under management in listed equities.*

Process

| | | | |
|---------------|------------------|--------------------|--------------|
| LEA 17 | Mandatory | Descriptive | PRI 2 |
|---------------|------------------|--------------------|--------------|

| | |
|-----------------|---|
| LEA 17.1 | Indicate how you typically make your (proxy) voting decisions and what this approach is based on. |
|-----------------|---|

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients requests or policy
 - other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2

Additional information.[Optional]

On all proxy voting decisions, our Head of Equities makes the final voting decision after consideration of:

- the voting and governance principles set out in Our Corporate Governance and Proxy Voting Policy (<http://www.perpetual.com.au/pdf/Proxy-voting-policy-flyer-wl.pdf>) - an internal ESG resource (The Manager, Responsible Investment) assists in this process;
- the internal views of relevant company analysts and portfolio managers; and
- the proxy report, including recommendations, from our external proxy adviser - this includes consideration of current governance norms and standards (e.g. on executive remuneration, director independence, etc.).

Paramount in this process is the principle that voting decisions are be made in the clients' best interests.

LEA 21

Mandatory

Core Assessed

PRI 2

LEA 21.1

Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases:
 - votes in selected markets
 - votes on certain issues (all markets)
 - votes for significant shareholdings (all markets)
 - other, explain

On a case-by-case basis
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

| | | | |
|--------|-----------|---------------|-------|
| LEA 22 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

| | |
|----------|---|
| LEA 22.1 | For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year. |
|----------|---|

We do track or collect this information

| | |
|--|--------------------------------|
| | Votes cast (to the nearest 1%) |
|--|--------------------------------|

| | |
|--|---|
| | % |
|--|---|

96

| | |
|--|--|
| | Specify the basis on which this percentage is calculated |
|--|--|

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

| | |
|----------|--|
| LEA 22.2 | If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional] |
|----------|--|

Practical issues only - share blocking, POA, etc.




We do not track or collect this information

| | | | |
|--------|-----------|-------------|-------|
| LEA 23 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

| | |
|----------|--|
| LEA 23.1 | Indicate if you track the voting instructions that you and/or your third party have issued on your behalf. |
|----------|--|

Yes, we track this information

| | |
|----------|---|
| LEA 23.2 | Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were: |
|----------|---|

| Voting instructions | Breakdown as percentage of votes cast |
|---|--|
| For (supporting) management recommendations |  93 |
| Against (opposing) management recommendations |  07 |
| Abstentions |  0 |

100%

LEA 23.3 For the reporting year, describe your approach towards voting on shareholder resolutions.

We consider shareholder resolutions using the same process as company resolutions. Ultimately voting decisions are made in our clients' best interests.

No, we do not track this information

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

http://www.perpetual.com.au/pdf/Perpetual_Investments_Voting_Record_2013_2014.pdf

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEA 26.5

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
 - Continuously (soon after votes are cast)
 - Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

Perpetual considered and voted on thousands of separate resolutions over the year, so composing and publishing an explanation on every single voting decisions is unrealistic.