

## SUPERANNUATION VOTING TRANSPARENCY REPORT

### 1. Name of asset owner/ fund manager & fund name chosen to assist with queries below:

Perpetual/Perpetual Superannuation Limited is the operator of the Wrap, Select and Wealth Focus schemes.

### 2. Brief Description of Asset Owner

Listed diversified financial services company with investment, advice and corporate trust operations.

#### Funds Under Management:

Perpetual Superannuation Limited operated schemes with \$5.5b as at 30<sup>th</sup> June, 2017<sup>1</sup>. Perpetual Investments had \$31.4b FUM as at 30/06/2017.<sup>2</sup>

### 3. Memberships

Association	Membership
UNPRI	Yes
FSC	Yes
RIAA	Yes
ACSI	No

### 4. Do they publically disclose a clear policy on how ESG issues are incorporated in all of their equity investment activities (i.e not just for SRI funds?) and do they screen any particular industry?

In its Responsible Investment policy, the fund recognizes ESG issues are an important risk factor in investment decisions and may affect investment performance. The fund does not make “ethical or moral judgements on particular practices or issues”<sup>3</sup>. Instead Perpetual investment managers “consider ESG risks that are relevant to the current or future value of the investment”.<sup>4</sup> In their corporate governance and proxy voting policy Perpetual expands on a number of governance issues and relates them to investments. Although, in their responsible investment policy they do provide some examples of ESG risks, including human rights and environmental related issues, there does not appear to be any depth discussion of social or environmental issues of interest to Perpetual.

<sup>1</sup> <http://www.apra.gov.au/Super/Publications/Pages/superannuation-fund-level-publications.aspx>

<sup>2</sup> See [https://www.perpetual.com.au/~/\\_media/perpetual/pdf/annual-reports-2017/perpetual\\_ar\\_2017\\_full.ashx](https://www.perpetual.com.au/~/_media/perpetual/pdf/annual-reports-2017/perpetual_ar_2017_full.ashx).

<sup>3</sup> Responsible Investment policy pg.3

<sup>4</sup> Responsible Investment policy pg.3

URL:

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

<https://www.perpetual.com.au/~media/perpetual/pdf/shareholders/proxy-voting-policy-flyer-wl.ashx?la=en>

<https://www.perpetual.com.au/~media/perpetual/pdf/shareholders/responsible-investing-policy.ashx?la=en> (all pages)

Score (2 out of 3) (Has a policy and expands on Governance issues only.)

**5. Do they publicly disclose their voting record for either or both their ASX and international holdings?**

A clear and detailed Domestic voting record is disclosed annually with approximately 8 months of lag. Perpetual Investments does not apply different voting decisions to different equity portfolios and votes consistently across all schemes. All votes are fully disclosed with company name, meeting date and proposal. International voting records are not disclosed at all. No rationales for the votes were provided.

URL:

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

Score (2 out of 5)

**6. DOMESTIC VOTING**

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
<b>Oil Search</b>	Climate Change item no.7		X			-1
	Human rights		X			-1
<b>Santos</b>	Amendment of Constitution item no.5a.		X			-1
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond )		X			-1
<b>URL: (Max score 4)Total</b>						<b>-4</b>

<b>July to December 2015 ASX</b>						
		<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Not Holding</b>	<b>Score</b>
<b>ANZ (Australia and New Zealand Bank)</b>	Corporate governance resolution no.6a		X			-1
	Climate change resolution no.6b		X			-1
<b>Origin Energy</b>	Climate change resolution no.11				X	0
<b>AGL Energy</b>	Climate change resolution no.5 "change to constitution"				X	0
<b>URL: (Max score 4)Total</b>						<b>-2</b>

## 7. LAGGING

<b>DOMESTIC RECORDS</b>			
	<b>Yes</b>	<b>No</b>	<b>Score</b>
<b>2017 Records available within 2 months of 2017 financial/calendar year end</b>		X	0
<b>Records available for current year to date, no more than two months ago available</b>		X	0
<b>June 2016 Records are available</b>	X		1
<b>(Max score 3) Total</b>			<b>1</b>

**8. Proxy Advisor used:**

External proxy advisory services used but no advisor name stated.

**9. Since June 2015 has the Fund lead filed or co-filed any ESG related shareholder resolutions at ASX 100 listed companies?**

Not to the knowledge of ACCR.

**10. Prose:**

Perpetual Investments have provided evidence of a clear ESG policy detailing their stance on ESG issues. The fund does not make ethical judgments on any particular issue, but instead takes into account ESG issues as risks in their investments.

Perpetual doesn't specify its investment policy on Environmental or Social related issues, although it does mention a few more by way example, eg child labour.<sup>5</sup> Domestically, Perpetual Investments had 3 chances we identified in 2015 and 2017 to support Climate Change Based resolutions and it supported none as recorded in its Proxy Voting Summary. Similarly the fund has not supported the one resolution concerning human rights it might have supported in 2017.

Proxy voting records for international equities could not be found on Perpetual Investments website. It is therefore assumed that these records have not been publicly disclosed.

**NOTES**

Voting record for 2017/2018 is most likely to come out early in calendar 2019 based on 16/17 experience which was released in February 2018. FSC standard 13 requires release within 3 months of year end.

Perpetual does have a 'PERPETUAL WHOLESALE INTERNATIONAL SHARE FUND', which most likely means that 'Perpetual investments' has international holdings. However no voting record in disclosed.

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<sup>5</sup> Responsible Investment Policy pg.3