
Perpetual Private Investment Funds

Annual Financial Report
for the year ended 30 June 2022

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

Perpetual Private Investment Funds Annual Financial Report for the year ended 30 June 2022

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Private Investment Funds, present their report together with the annual financial report of Perpetual Private Investment Funds (the Schemes) for the year ended 30 June 2022 and the auditor's report thereon.

The following are the Schemes included within this report:

Statutory name	Referred to in this document as	ARSN
Perpetual Private Australian Share Fund	"Australian Share Fund"	098 776 026
Perpetual Private Fixed Income Fund	"Fixed Income Fund"	098 776 179
Perpetual Private International Share Fund	"International Share Fund"	098 776 115
Perpetual Private Real Estate Fund	"Real Estate Fund"	098 776 302
Perpetual Private Balanced Fund	"Balanced Fund"	098 775 869
Perpetual Private Conservative Fund	"Conservative Fund"	100 476 882
Perpetual Private Diversified Fund	"Diversified Fund"	098 775 690
Perpetual Private Growth Fund	"Growth Fund"	098 775 921

Responsible Entity

The Responsible Entity of Perpetual Private Investment Funds is Perpetual Investment Management Limited (ABN 18 000 866 535). The Responsible Entity's registered office and principal place of business is Level 18, 123 Pitt Street, Sydney, NSW 2000.

Directors

The following persons held office as directors of Perpetual Investment Management Limited during the year or since the end of the year and up to the date of this report:

A Apted (appointed 9 April 2020)

A Gazal (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

D Lane (appointed 20 April 2017, resigned 8 March 2022)

Directors' report (continued)

Principal activities

The Schemes invest in a wide range of asset classes and generally adopt a multi-manager approach to investing where several specialist investment managers for various asset classes are appointed to manage the assets of the Schemes.

The objectives and investment strategy for each Scheme are disclosed in the respective Perpetual Select Investment Funds Product Disclosure Statement and Implemented Portfolios Product Disclosure Statement.

The Schemes did not have any employees during the year.

There were no significant changes in the nature of the Schemes' activities during the year.

Review and results of operations

During the year, the Schemes' assets were invested in accordance with the investment objectives and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The Perpetual Private International Share Fund has investments that are impacted by uncertainties pertaining to market disruption, resulting from the current geopolitical events. Such disruptions can adversely affect asset values and the performance of the Scheme. The Responsible Entity is monitoring the development and evaluating its impact on the Scheme.

The performance of the Schemes, as represented by the results of their operations, was as follows:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Operating profit/(loss)	<u>(72,564)</u>	<u>319,651</u>	<u>(83,021)</u>	<u>26,603</u>	<u>(368,272)</u>	<u>553,615</u>	<u>(44,511)</u>	<u>131,391</u>
Class R								
Distributions paid and payable	<u>152,683</u>	<u>64,140</u>	<u>94</u>	<u>1,321</u>	<u>40,434</u>	<u>41,720</u>	<u>10,777</u>	<u>2,066</u>
Distributions (cents per unit)	<u>26.92</u>	<u>11.38</u>	<u>0.36</u>	<u>4.77</u>	<u>8.77</u>	<u>9.71</u>	<u>5.79</u>	<u>0.93</u>
Class I								
Distributions paid and payable	<u>38,017</u>	<u>17,018</u>	<u>8,298</u>	<u>59,150</u>	<u>131,995</u>	<u>136,063</u>	<u>32,988</u>	<u>7,688</u>
Distributions (cents per unit)	<u>19.56</u>	<u>9.05</u>	<u>0.73</u>	<u>5.55</u>	<u>11.36</u>	<u>13.26</u>	<u>10.84</u>	<u>2.63</u>

Directors' report (continued)

Review and results of operations (continued)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss)	(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825
Distributions paid and payable	20,650	13,828	923	632	2,856	2,010	5,557	3,528
Distributions (cents per unit)	15.94	10.07	16.36	8.37	9.75	6.69	17.21	10.76

Interests in the Schemes

The movement in units on issue in the Schemes during the year is disclosed in note 6 to the financial statements.

The value of the Schemes' assets and liabilities disclosed on the balance sheets and derived using the basis set out in note 2 to the financial statements.

Significant changes in state of affairs

The Responsible Entity transitioned the administration and custody services for the Schemes from RBC Investor Services Trust to State Street Australia Limited on and from 27 September 2021.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Schemes that occurred during the financial year.

Likely developments and expected results of operations

The Schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

Matters subsequent to the end of the financial year

On 9 August 2022, the Responsible Entity approved the termination of the Perpetual Private Conservative Fund. The termination was considered to be in the best interests of its unitholders as the Scheme had not attained the scale required for it to remain viable, particularly in terms of investment and operating cost efficiencies. The Scheme paid the final return of capital to unitholders and was formally wound up on 14 September 2022. Accordingly, the financial statements for the Perpetual Private Conservative Fund for the financial year ended 30 June 2022 were prepared on a basis other than going concern.

Directors' report (continued)

Matters subsequent to the end of the financial year (continued)

No other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- (i) the operations of the Schemes in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Schemes in future financial years.

Environmental regulation

The operations of the Schemes are not subject to any particular or significant environmental regulations under a law of the Commonwealth, or of a State or Territory.

Fees paid to and interests held in the Schemes by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its related parties out of Schemes' properties during the year are disclosed in note 13 to the financial statements.

No fees were paid out of Schemes' property to the directors of the Responsible Entity during the year.

The number of interests in the Schemes held by the Responsible Entity or its related parties as at the end of the financial year are disclosed in note 13 to the financial statements.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Schemes in regards to insurance cover provided to either the officers of Perpetual Investment Management Limited or the auditor of the Schemes. So long as the officers of Perpetual Investment Management Limited act in accordance with the Schemes' Constitutions and the law, the officers remain indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditor of the Schemes is in no way indemnified out of the assets of the Schemes.

Rounding of amounts to the nearest thousand dollars

The Schemes are entities of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with the legislative instrument, unless otherwise indicated.

Financial statements presentation

The Schemes are entities of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*. In accordance with the legislative instrument, registered schemes with common Responsible Entity (or related Responsible Entities) are permitted to include their financial statements in adjacent columns in a single financial report.

Directors' report (continued)

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'A. G. G. G.', is positioned above the printed name 'Agayel'.

Director

Sydney

21 September 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Perpetual Investment Management Limited as Responsible Entity of the following Schemes:

Perpetual Private Diversified Fund;
Perpetual Private Balanced Fund;
Perpetual Private Growth Fund;
Perpetual Private Conservative Fund;

Perpetual Private Real Estate Fund;
Perpetual Private International Share Fund;
Perpetual Private Australian Share Fund; and
Perpetual Private Fixed Income Fund.

I declare that, to the best of my knowledge and belief, in relation to the audits of the Schemes for the financial year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Jessica Davis

Partner

Sydney

21 September 2022

Statements of comprehensive income

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Investment income									
Dividend/distribution income		50,302	30,693	9,951	63,084	40,005	27,828	22,586	21,150
Interest income		284	502	17	29	89	26	16	32
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(101,996)	310,005	(90,260)	(33,890)	(382,461)	563,067	(60,147)	116,398
Net foreign exchange gains/(losses)		(128)	-	-	-	8,537	(12,736)	318	(15)
Other income		32	118	-	-	1,046	264	22	123
Total net investment income/(loss)		(51,506)	341,318	(80,292)	29,223	(332,784)	578,449	(37,205)	137,688
Expenses									
Responsible Entity's fees	13	15,823	17,451	2,729	2,607	28,326	21,610	6,744	5,701
Other expenses	4	5,235	4,216	-	13	7,162	3,224	562	596
Total expenses		21,058	21,667	2,729	2,620	35,488	24,834	7,306	6,297
Operating profit/(loss)		(72,564)	319,651	(83,021)	26,603	(368,272)	553,615	(44,511)	131,391
Finance costs									
Distributions to unitholders	5	190,700	81,158	8,392	60,471	172,429	177,783	43,765	9,754
Changes in net assets attributable to unitholders	6	(263,264)	238,493	(91,413)	(33,868)	(540,701)	375,832	(88,276)	121,637
Profit/(loss)		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of comprehensive income

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Investment income									
Distribution income		10,540	10,747	295	523	1,966	2,249	3,794	3,259
Interest income		2	5	-	1	-	1	1	2
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(19,092)	18,787	(708)	617	(3,763)	2,918	(6,815)	6,721
Total net investment income/(loss)		(8,550)	29,539	(413)	1,141	(1,797)	5,168	(3,020)	9,982
Expenses									
Responsible Entity's fees	13	477	702	39	69	133	196	110	151
Other expenses	4	-	5	-	5	-	5	-	6
Total expenses		477	707	39	74	133	201	110	157
Profit/(loss)		(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheets

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Assets									
Cash and cash equivalents	11(b)	164,738	30,438	752	29,762	120,374	93,429	40,622	33,650
Financial assets at fair value through profit or loss	7	1,040,686	1,303,801	1,073,339	1,063,227	2,416,126	2,674,347	614,987	717,050
Receivables for securities sold		534	4,467	10,000	14,500	2,254	28,873	2,935	1,197
Receivables	9	6,398	5,010	1,439	54,025	7,480	8,465	8,617	7,729
Total assets		1,212,356	1,343,716	1,085,530	1,161,514	2,546,234	2,805,114	667,161	759,626
Liabilities									
Financial liabilities at fair value through profit or loss	8	2,734	3,929	-	-	22	-	-	-
Distributions payable	5	171,370	71,079	580	51,688	151,969	169,506	36,465	5,549
Payables for securities purchased		4,967	3,258	-	-	2,953	11,140	2,467	675
Payables	10	3,823	2,867	758	497	8,900	3,700	514	644
Total liabilities (excluding net assets attributable to unitholders)		182,894	81,133	1,338	52,185	163,844	184,346	39,446	6,868
Net assets attributable to unitholders - liability	6	1,029,462	1,262,583	1,084,192	1,109,329	2,382,390	2,620,768	627,715	752,758

The above Balance sheets should be read in conjunction with the accompanying notes.

Balance sheets

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Assets									
Cash and cash equivalents	11(b)	3,218	2,178	237	136	200	231	2,475	1,318
Financial assets at fair value through profit or loss	7	141,125	175,130	5,559	9,035	32,760	38,045	44,220	53,034
Receivables for securities sold		1,110	-	300	-	200	-	1,300	-
Receivables	9	8,221	7,930	152	377	1,441	1,603	3,072	2,349
Total assets		153,674	185,238	6,248	9,548	34,601	39,879	51,067	56,701
Liabilities									
Distributions payable	5	19,188	13,299	836	613	2,546	1,994	5,134	3,399
Payables for securities purchased		-	-	-	-	-	-	190	-
Payables	10	2,115	42	129	4	12	11	1,899	9
Total liabilities		21,303	13,341	965	617	2,558	2,005	7,223	3,408
Net assets attributable to unitholders - equity	6	132,371	171,897	5,283	8,931	32,043	37,874	43,844	53,293

The above Balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity

The following Schemes' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*:

Australian Share Fund
Fixed Income Fund
International Share Fund
Real Estate Fund

As such the Schemes have no equity and no items of changes in equity have been presented for the current or comparative period.

Statements of changes in equity

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Total equity at the beginning of the year	6	171,897	164,335	8,931	10,056	37,874	35,343	53,293	44,543
Comprehensive income for the year									
Profit/(loss)		(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825
Transactions with unitholders									
Applications	6	6,851	5,217	1,790	1,927	996	2,392	7,382	5,223
Redemptions	6	(18,565)	(13,469)	(4,240)	(3,577)	(2,641)	(3,104)	(9,010)	(3,089)
Units issued upon reinvestment of distributions	6	1,865	810	177	90	600	286	866	319
Distributions to unitholders	5, 6	(20,650)	(13,828)	(923)	(632)	(2,856)	(2,010)	(5,557)	(3,528)
Total transactions with unitholders		(30,499)	(21,270)	(3,196)	(2,192)	(3,901)	(2,436)	(6,319)	(1,075)
Total equity at the end of the year	6	132,371	171,897	5,283	8,931	32,043	37,874	43,844	53,293

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Cash flows from operating activities									
Dividends/distributions received		50,030	29,634	62,256	23,096	40,452	24,868	23,885	18,225
Interest received		192	503	15	29	40	26	3	32
Other income received		1,484	1,820	203	195	3,090	1,801	524	565
Responsible Entity's fees paid		(17,076)	(19,363)	(2,950)	(2,795)	(30,560)	(22,522)	(7,303)	(6,144)
Other expenses paid		(4,527)	(4,527)	-	(46)	(1,755)	(10,965)	(580)	(703)
Net cash inflow/(outflow) from operating activities	11(a)	30,103	8,067	59,524	20,479	11,267	(6,792)	16,529	11,975
Cash flows from investing activities									
Proceeds from sale of investments		786,760	650,419	51,500	102,778	979,266	942,869	309,872	261,243
Payments for purchase of investments		(621,322)	(547,934)	(147,372)	(153,095)	(1,076,823)	(1,569,657)	(267,703)	(356,569)
Net cash inflow/(outflow) from investing activities		165,438	102,485	(95,872)	(50,317)	(97,557)	(626,788)	42,169	(95,326)
Cash flows from financing activities									
Proceeds from applications by unitholders		84,340	70,053	224,252	199,130	452,051	800,687	71,389	148,422
Payments for redemptions by unitholders		(126,206)	(231,024)	(157,868)	(147,680)	(192,188)	(121,329)	(113,453)	(58,426)
Distributions paid		(19,375)	(3,502)	(59,046)	(17,147)	(146,936)	(99,287)	(9,781)	(33,510)
Net cash inflow/(outflow) from financing activities		(61,241)	(164,473)	7,338	34,303	112,927	580,071	(51,845)	56,486
Net increase/(decrease) in cash and cash equivalents									
		134,300	(53,921)	(29,010)	4,465	26,637	(53,509)	6,853	(26,865)
Cash and cash equivalents at the beginning of the year		30,438	84,359	29,762	25,297	93,429	139,685	33,650	60,463
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	-	308	7,253	119	52
Cash and cash equivalents at the end of the year	11(b)	164,738	30,438	752	29,762	120,374	93,429	40,622	33,650

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Cash flows from operating activities									
Distributions received		10,204	6,408	521	287	2,127	1,261	3,071	1,926
Interest received		1	5	-	1	-	1	1	2
Other income received		35	75	2	9	11	23	8	19
Responsible Entity's fees paid		(512)	(834)	(43)	(81)	(142)	(233)	(117)	(179)
Other expenses paid		-	(34)	-	(30)	-	(30)	-	(34)
Net cash inflow/(outflow) from operating activities	11(a)	9,728	5,620	480	186	1,996	1,022	2,963	1,734
Cash flows from investing activities									
Proceeds from sale of investments		32,350	37,752	5,128	4,609	4,696	6,529	11,430	8,598
Payments for purchase of investments		(18,547)	(31,459)	(2,660)	(3,507)	(3,374)	(7,436)	(10,541)	(11,106)
Net cash inflow/(outflow) from investing activities		13,803	6,293	2,468	1,102	1,322	(907)	889	(2,508)
Cash flows from financing activities									
Proceeds from applications by unitholders		6,897	5,160	1,790	1,929	996	2,402	7,382	5,348
Payments for redemptions by unitholders		(16,492)	(13,648)	(4,114)	(3,577)	(2,641)	(3,104)	(7,121)	(3,089)
Distributions paid		(12,896)	(5,759)	(523)	(249)	(1,704)	(818)	(2,956)	(1,089)
Net cash inflow/(outflow) from financing activities		(22,491)	(14,247)	(2,847)	(1,897)	(3,349)	(1,520)	(2,695)	1,170
Net increase/(decrease) in cash and cash equivalents		1,040	(2,334)	101	(609)	(31)	(1,405)	1,157	396
Cash and cash equivalents at the beginning of the year		2,178	4,512	136	745	231	1,636	1,318	922
Cash and cash equivalents at the end of the year	11(b)	3,218	2,178	237	136	200	231	2,475	1,318

The above Statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

This annual financial report covers Perpetual Private Investment Funds (the Schemes). The Schemes are registered managed investment schemes under the *Corporations Act 2001*. The Schemes are domiciled in Australia.

The Responsible Entity of the Schemes is Perpetual Investment Management Limited. The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

The annual financial report was authorised for issue by the directors of the Responsible Entity on 21 September 2022. The directors of the Responsible Entity have the power to amend and reissue the annual financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this annual financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Schemes are for-profit entities for the purpose of preparing the annual financial report.

The annual financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated and on a going concern basis except as set out below for Perpetual Private Conservative Fund.

Basis of preparation other than going concern - Perpetual Private Conservative Fund

The financial statements for the Perpetual Private Conservative Fund were not prepared on a going concern basis as the Responsible Entity approved and commenced winding up the Scheme on 9 August 2022. The Scheme realised all assets, settled all liabilities and paid the final return of capital to its unitholders on 14 September 2022.

In preparing the financial statements of the Perpetual Private Conservative Fund on an alternate basis, the Scheme continued to apply the requirements of Australian Accounting Standards taking into account that it was no longer a going concern. There were no significant remeasurement of any amounts in the financial statements.

No additional provisions or liabilities were recognised as a result of the wind up of the Perpetual Private Conservative Fund as the Responsible Entity did not incur any legal or contractual obligations.

Compliance with International Financial Reporting Standards

The annual financial report of the Schemes also complies with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Significant accounting policies in note 2(b) to 2(n) apply to all Schemes including Perpetual Private Conservative Fund.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Schemes' functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the changing market conditions impacted by the coronavirus (COVID-19) pandemic is assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 15(d).

(b) New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the Schemes.

(c) Financial instruments

(i) Classification

The Schemes classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Schemes' investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes evaluate the information about their investments on a fair value basis together with other related financial information.

Derivatives, equity securities and unlisted unit trusts are classified as financial assets at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Schemes' business model's objective. Consequently, the debt securities are classified as financial assets at fair value through profit or loss.

Derivative contracts that have negative values are presented as financial liabilities at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition/derecognition

The Schemes recognise financial assets and liabilities on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised on the date the Schemes become party to the sale contractual agreement (trade date).

(iii) Measurement

At initial recognition, a financial asset or liability is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently all financial assets and liabilities are measured at fair value without any deduction for estimated future selling cost. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 15(d).

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(d) Net assets attributable to unitholders

Units are redeemable at unitholders' option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net assets attributable to unitholders. The units are carried at the redemption amount that is payable at the balance sheet date if the unitholders exercise their right to put the units back to the Schemes.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met.

The Schemes offering a single unit class classify the net assets attributable to unitholders as equity as they satisfy the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instruments are in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders (continued)

- no contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Schemes, and it is not a contract settled in the Schemes' own equity instrument; and
- the total expected cash flows attributable to the puttable financial instruments over the life are based substantially on the profit or loss.

The Schemes offering multiple unit classes do not meet the criteria as they have different contractual features. Consequently, these Schemes classify their net assets attributable to unitholders as financial liability.

(e) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents include cash at bank, deposits held at call and other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

(f) Receivables

Receivables include accrued income, application monies receivables and receivables for securities sold. Amounts are generally received within 30 days of being accrued for.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Schemes shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Schemes shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Payables

Payables include accrued expenses, redemption monies owing by the Schemes and payables for securities purchased which are unpaid at the end of the reporting date. Amounts are generally paid within 30 days of being accrued for.

2 Summary of significant accounting policies (continued)

(h) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Schemes' right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(c).

(i) Expenses

All expenses, including Responsible Entity's fees, are recognised in profit or loss on an accruals basis.

(j) Income tax

The Schemes are not subject to income tax provided the taxable income of the Schemes are attributed in full to their unitholders each financial year. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

The benefits of franking credits and foreign tax paid are passed on to unitholders, providing certain conditions are met.

(k) Distributions

Distributions are payable as set out in the Schemes' Constitutions. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Schemes.

(l) Changes in net assets attributable to unitholders

Income not distributed from the Schemes offering multiple unit classes is included in net assets attributable to unitholders. Changes in net assets attributable to unitholders are recognised in profit or loss as finance costs.

2 Summary of significant accounting policies (continued)

(m) Goods and Services Tax

The Goods and Services Tax (GST) is incurred on the cost of various services provided to the Schemes by third parties. The Schemes qualify for Reduced Input Tax Credit (RITC); hence expenses such as Responsible Entity's fees have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Payables are stated with the amount of GST included. The net amount of GST recoverable is included in receivables in the balance sheets. Cash flows are included in the statements of cash flows on a gross basis.

(n) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in profit or loss on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

3 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) arising from changes in the fair value measurement comprise:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(268,844)	222,441	(86,769)	(34,002)	(572,111)	339,209	(101,749)	129,028
Net realised gains/(losses) on financial instruments at fair value through profit or loss	166,848	87,564	(3,491)	112	189,650	223,858	41,602	(12,630)
Net gains/(losses) on financial instruments at fair value through profit or loss	(101,996)	310,005	(90,260)	(33,890)	(382,461)	563,067	(60,147)	116,398

3 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(30,759)	14,795	(1,370)	386	(5,216)	2,842	(10,682)	6,185
Net realised gains/(losses) on financial instruments at fair value through profit or loss	11,667	3,992	662	231	1,453	76	3,867	536
Net gains/(losses) on financial instruments at fair value through profit or loss	(19,092)	18,787	(708)	617	(3,763)	2,918	(6,815)	6,721

4 Other expenses

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transaction costs	1,485	1,691	-	-	1,673	1,258	562	553
Performance fees	3,750	2,444	-	-	5,455	1,679	-	-
Sundry expenses	-	81	-	13	34	287	-	43
Total	5,235	4,216	-	13	7,162	3,224	562	596

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sundry expenses	-	5	-	5	-	5	-	6
Total	-	5	-	5	-	5	-	6

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund				Fixed Income Fund			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Class R								
Distributions paid - September	2,996	0.53	2,643	0.42	33	0.12	-	-
Distributions paid - December	8,155	1.46	737	0.12	30	0.11	25	0.09
Distributions paid - March	4,032	0.73	4,118	0.67	21	0.08	47	0.17
Distributions payable - June	137,500	24.20	56,642	10.17	10	0.05	1,249	4.51
	<u>152,683</u>		<u>64,140</u>		<u>94</u>		<u>1,321</u>	
Class I								
Distributions paid - September	883	0.45	950	0.49	2,445	0.22	-	-
Distributions paid - December	2,142	1.10	516	0.26	2,860	0.25	5,488	0.52
Distributions paid - March	1,122	0.58	1,115	0.59	2,423	0.21	3,223	0.31
Distributions payable - June	33,870	17.43	14,437	7.71	570	0.05	50,439	4.72
	<u>38,017</u>		<u>17,018</u>		<u>8,298</u>		<u>59,150</u>	
Total distributions	<u>190,700</u>		<u>81,158</u>		<u>8,392</u>		<u>60,471</u>	

5 Distributions to unitholders (continued)

	International Share Fund				Real Estate Fund			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2022 \$'000	30 June 2021 CPU	30 June 2021 \$'000	30 June 2021 CPU
Class R								
Distributions paid - September	1,109	0.25	-	-	422	0.20	-	-
Distributions paid - December	1,713	0.39	15	-	99	0.05	-	-
Distributions paid - March	984	0.22	506	0.14	1,190	0.58	620	0.29
Distributions payable - June	36,628	7.91	41,199	9.57	9,066	4.96	1,446	0.64
	<u>40,434</u>		<u>41,720</u>		<u>10,777</u>		<u>2,066</u>	
Class I								
Distributions paid - September	4,513	0.41	-	-	1,400	0.46	-	-
Distributions paid - December	7,201	0.64	4,684	0.53	649	0.21	824	0.30
Distributions paid - March	4,940	0.44	3,072	0.31	3,540	1.16	2,761	0.96
Distributions payable - June	115,341	9.87	128,307	12.42	27,399	9.01	4,103	1.37
	<u>131,995</u>		<u>136,063</u>		<u>32,988</u>		<u>7,688</u>	
Total distributions	<u>172,429</u>		<u>177,783</u>		<u>43,765</u>		<u>9,754</u>	

5 Distributions to unitholders (continued)

	Balanced Fund				Conservative Fund			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Distributions paid - September	390	0.29	64	0.04	36	0.47	-	-
Distributions paid - December	540	0.41	150	0.11	29	0.39	3	0.04
Distributions paid - March	532	0.40	315	0.22	22	0.31	16	0.18
Distributions payable - June	19,188	14.84	13,299	9.70	836	15.19	613	8.15
Total distributions	20,650		13,828		923		632	

	Diversified Fund				Growth Fund			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Distributions paid - September	85	0.28	-	-	123	0.37	7	0.02
Distributions paid - December	111	0.37	-	-	181	0.55	53	0.16
Distributions paid - March	114	0.38	16	0.05	119	0.35	69	0.21
Distributions payable - June	2,546	8.72	1,994	6.64	5,134	15.94	3,399	10.37
Total distributions	2,856		2,010		5,557		3,528	

6 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Australian Share Fund				Fixed Income Fund			
	30 June 2022 Units'000	30 June 2021* Units'000	30 June 2022 \$'000	30 June 2021* \$'000	30 June 2022 Units'000	30 June 2021* Units'000	30 June 2022 \$'000	30 June 2021* \$'000
Net assets attributable to unitholders - liability								
Class R								
Opening balance	557,113	640,172	1,023,503	976,797	27,712	29,671	27,893	30,748
Applications	26,192	18,255	48,696	30,475	2,759	2,415	2,669	2,531
Redemptions	(53,493)	(106,259)	(98,891)	(189,797)	(11,266)	(4,432)	(10,785)	(4,637)
Units issued upon reinvestment of distributions	38,336	4,945	71,034	8,239	451	58	454	60
Changes in net assets attributable to unitholders	-	-	(211,932)	197,789	-	-	(1,985)	(809)
Closing balance	568,148	557,113	832,410	1,023,503	19,656	27,712	18,246	27,893
Class I								
Opening balance	187,171	188,105	239,080	200,263	1,067,662	1,017,750	1,081,436	1,061,281
Applications	28,150	33,411	36,582	39,458	220,441	185,234	221,303	196,260
Redemptions	(21,026)	(34,345)	(27,278)	(41,345)	(148,847)	(135,322)	(147,365)	(143,046)
Changes in net assets attributable to unitholders	-	-	(51,332)	40,704	-	-	(89,428)	(33,059)
Closing balance	194,295	187,171	197,052	239,080	1,139,256	1,067,662	1,065,946	1,081,436
Total			1,029,462	1,262,583			1,084,192	1,109,329

*The movements in the number of units and net assets attributable to unitholders have been presented separately for each unit class.

6 Net assets attributable to unitholders (continued)

	International Share Fund				Real Estate Fund			
	30 June 2022 Units'000	30 June 2021* Units'000	30 June 2022 \$'000	30 June 2021* \$'000	30 June 2022 Units'000	30 June 2021* Units'000	30 June 2022 \$'000	30 June 2021* \$'000
Net assets attributable to unitholders - liability								
Class R								
Opening balance	430,619	266,752	676,705	343,079	226,694	203,132	234,867	174,792
Applications	47,900	175,729	71,298	266,560	9,030	35,306	9,482	33,355
Redemptions	(42,678)	(27,410)	(66,859)	(40,765)	(55,831)	(25,426)	(59,081)	(23,955)
Units issued upon reinvestment of distributions	27,355	15,548	43,030	20,081	2,868	13,682	3,068	11,837
Changes in net assets attributable to unitholders	-	-	(131,679)	87,750	-	-	(22,333)	38,838
Closing balance	463,196	430,619	592,495	676,705	182,761	226,694	166,003	234,867
Class I								
Opening balance	1,032,816	778,698	1,944,063	1,203,451	298,635	248,174	517,891	356,788
Applications	202,974	299,634	380,137	532,984	35,194	72,430	64,072	112,730
Redemptions	(66,681)	(45,516)	(125,283)	(80,454)	(29,645)	(21,969)	(54,308)	(34,426)
Changes in net assets attributable to unitholders	-	-	(409,022)	288,082	-	-	(65,943)	82,799
Closing balance	1,169,109	1,032,816	1,789,895	1,944,063	304,184	298,635	461,712	517,891
Total			2,382,390	2,620,768			627,715	752,758

*The movements in the number of units and net assets attributable to unitholders have been presented separately for each unit class.

6 Net assets attributable to unitholders (continued)

	Balanced Fund				Conservative Fund			
	30 June 2022 Units'000	30 June 2021 Units'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 Units'000	30 June 2021 Units'000	30 June 2022 \$'000	30 June 2021 \$'000
Net assets attributable to unitholders - equity								
Opening balance	137,092	142,908	171,897	164,335	7,524	8,735	8,931	10,056
Applications	5,351	4,289	6,851	5,217	1,493	1,650	1,790	1,927
Redemptions	(14,667)	(10,805)	(18,565)	(13,469)	(3,665)	(2,939)	(4,240)	(3,577)
Units issued upon reinvestment of distributions	1,485	700	1,865	810	149	78	177	90
Distributions to unitholders	-	-	(20,650)	(13,828)	-	-	(923)	(632)
Profit/(loss)	-	-	(9,027)	28,832	-	-	(452)	1,067
Closing balance	129,261	137,092	132,371	171,897	5,501	7,524	5,283	8,931
	Diversified Fund				Growth Fund			
	30 June 2022 Units'000	30 June 2021 Units'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 Units'000	30 June 2021 Units'000	30 June 2022 \$'000	30 June 2021 \$'000
Net assets attributable to unitholders - equity								
Opening balance	30,046	30,338	37,874	35,343	32,761	31,080	53,293	44,543
Applications	766	1,959	996	2,392	4,519	3,450	7,382	5,223
Redemptions	(2,093)	(2,496)	(2,641)	(3,104)	(5,607)	(1,990)	(9,010)	(3,089)
Units issued upon reinvestment of distributions	475	245	600	286	531	221	866	319
Distributions to unitholders	-	-	(2,856)	(2,010)	-	-	(5,557)	(3,528)
Profit/(loss)	-	-	(1,930)	4,967	-	-	(3,130)	9,825
Closing balance	29,194	30,046	32,043	37,874	32,204	32,761	43,844	53,293

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes or the relevant class of the Schemes and does not extend to a right to the underlying assets of the Schemes. For Schemes that offer a single unit class, each unit has the same right attaching to it as all other units of the Schemes. For Schemes that offer multiple unit classes, each unit in each class of the Schemes has the same right attaching to it as all other units in the same class.

6 Net assets attributable to unitholders (continued)

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders for certain Schemes are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and daily redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Schemes' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Schemes' Constitutions, the Responsible Entity has the discretion to reject an application and to defer or adjust a redemption if the exercise of such discretion is in the best interests of unitholders.

7 Financial assets at fair value through profit or loss

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Derivatives								
Foreign currency forward contracts	-	-	-	-	1	-	14	-
Equity securities	1,031,565	1,294,557	-	-	2,416,125	2,674,347	614,973	709,068
Debt securities	9,121	9,244	-	-	-	-	-	-
Unlisted unit trusts	-	-	1,073,339	1,063,227	-	-	-	7,982
Total financial assets at fair value through profit or loss	1,040,686	1,303,801	1,073,339	1,063,227	2,416,126	2,674,347	614,987	717,050
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Unlisted unit trusts	141,125	175,130	5,559	9,035	32,760	38,045	44,220	53,034
Total financial assets at fair value through profit or loss	141,125	175,130	5,559	9,035	32,760	38,045	44,220	53,034

8 Financial liabilities at fair value through profit or loss

	Australian Share Fund		International Share Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Derivatives				
Futures	210	-	-	-
Options	2,524	3,929	-	-
Foreign currency forward contracts	-	-	22	-
Total financial liabilities at fair value through profit or loss	2,734	3,929	22	-

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Dividends/distributions receivable	4,220	3,986	310	52,615	2,837	3,942	5,405	6,785
Interest receivable	98	6	2	-	50	1	13	-
Applications receivable	1,287	349	1,062	1,342	2,325	2,941	2,564	399
Other receivables	793	669	65	68	2,268	1,581	635	545
Total receivables	6,398	5,010	1,439	54,025	7,480	8,465	8,617	7,729

9 Receivables (continued)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Distributions receivable	8,179	7,843	151	377	1,439	1,600	3,069	2,346
Interest receivable	1	-	-	-	-	-	-	-
Applications receivable	29	75	-	-	-	-	-	-
Other receivables	12	12	1	-	2	3	3	3
Total receivables	8,221	7,930	152	377	1,441	1,603	3,072	2,349

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Responsible Entity's fees payable	1,314	1,409	223	244	2,298	2,459	505	571
Performance fees payable	2,397	1,309	-	-	6,479	1,072	-	-
Redemptions payable	112	149	535	253	123	169	9	73
Total payables	3,823	2,867	758	497	8,900	3,700	514	644

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Responsible Entity's fees payable	42	42	3	4	12	11	10	9
Redemptions payable	2,073	-	126	-	-	-	1,889	-
Total payables	2,115	42	129	4	12	11	1,899	9

11 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities								
Operating profit/(loss)	(72,564)	319,651	(83,021)	26,603	(368,272)	553,615	(44,511)	131,391
(Increase)/decrease in dividends/distributions receivable	(234)	(1,059)	52,305	(39,988)	1,105	(2,960)	1,380	(2,925)
(Increase)/decrease in interest receivable	(92)	1	(2)	-	(49)	-	(13)	-
(Increase)/decrease in other receivables	(124)	121	3	3	(687)	(52)	(90)	(1)
Increase/(decrease) in payables	993	(642)	(21)	(29)	5,246	(7,064)	(66)	(107)
Net (gains)/losses on financial instruments at fair value through profit or loss	101,996	(310,005)	90,260	33,890	382,461	(563,067)	60,147	(116,398)
Net foreign exchange (gains)/losses	128	-	-	-	(8,537)	12,736	(318)	15
Net cash inflow/(outflow) from operating activities	30,103	8,067	59,524	20,479	11,267	(6,792)	16,529	11,975
(b) Components of cash and cash equivalents								
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:								
Cash at bank	158,815	30,438	752	29,762	120,374	93,429	40,622	33,650
Margin accounts	5,923	-	-	-	-	-	-	-
Total cash and cash equivalents	164,738	30,438	752	29,762	120,374	93,429	40,622	33,650
(c) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	71,034	8,239	454	60	43,030	20,081	3,068	11,837

11 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss)	(9,027)	28,832	(452)	1,067	(1,930)	4,967	(3,130)	9,825
(Increase)/decrease in distributions receivable	(336)	(4,339)	226	(236)	161	(988)	(723)	(1,333)
(Increase)/decrease in interest receivable	(1)	-	-	-	-	-	-	-
(Increase)/decrease in other receivables	-	23	(1)	4	1	9	-	7
Increase/(decrease) in payables	-	(109)	(1)	(32)	1	(48)	1	(44)
Net (gains)/losses on financial instruments at fair value through profit or loss	<u>19,092</u>	<u>(18,787)</u>	<u>708</u>	<u>(617)</u>	<u>3,763</u>	<u>(2,918)</u>	<u>6,815</u>	<u>(6,721)</u>
Net cash inflow/(outflow) from operating activities	<u>9,728</u>	<u>5,620</u>	<u>480</u>	<u>186</u>	<u>1,996</u>	<u>1,022</u>	<u>2,963</u>	<u>1,734</u>
(b) Components of cash and cash equivalents								
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:								
Cash at bank	<u>3,218</u>	<u>2,178</u>	<u>237</u>	<u>136</u>	<u>200</u>	<u>231</u>	<u>2,475</u>	<u>1,318</u>
Total cash and cash equivalents	<u>3,218</u>	<u>2,178</u>	<u>237</u>	<u>136</u>	<u>200</u>	<u>231</u>	<u>2,475</u>	<u>1,318</u>
(c) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	<u>1,865</u>	<u>810</u>	<u>177</u>	<u>90</u>	<u>600</u>	<u>286</u>	<u>866</u>	<u>319</u>

12 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:								
Audit of financial statements	14,456	15,325	8,200	9,155	14,456	15,325	14,456	15,325
Other regulatory assurance services	5,068	3,760	3,897	2,581	5,068	3,760	5,068	3,760
Total	19,524	19,085	12,097	11,736	19,524	19,085	19,524	19,085

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:								
Audit of financial statements	10,650	11,571	7,607	8,571	7,607	8,571	10,650	11,571
Other regulatory assurance services	3,982	2,665	3,877	2,560	3,877	2,560	3,982	2,665
Total	14,632	14,236	11,484	11,131	11,484	11,131	14,632	14,236

Audit fees were paid or payable by the Responsible Entity.

13 Related party transactions

Responsible Entity

The Responsible Entity of Perpetual Private Investment Funds is Perpetual Investment Management Limited (ABN 18 000 866 535), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

The Schemes do not employ personnel in their own right. However, they are required to have an incorporated Responsible Entity to manage the activities of the Schemes and this is considered the key management personnel.

Key management personnel

(a) Directors

The directors of Perpetual Investment Management Limited during the financial year or since the end of the year and up to the date of this report were as follows:

A Apted (appointed 9 April 2020)

A Gazal (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

D Lane (appointed 20 April 2017, resigned 8 March 2022)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Schemes, directly or indirectly, during or since the end of the financial year.

Key management personnel unitholdings

From time to time directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders of the Schemes.

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2022.

13 Related party transactions (continued)

Transactions with key management personnel

Key management personnel services are provided by Perpetual Investment Management Limited and included in the Responsible Entity's fees. There is no separate charge for these services. There was no compensation paid directly by the Schemes to any of the key management personnel during the year.

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Responsible Entity's fees and other transactions

Under the terms of the Schemes' Constitutions (as amended), the Responsible Entity is entitled to receive management fees calculated by reference to the net asset value of the relevant unit classes of the Schemes offering multiple units classes or the net asset values of the Schemes offering a single unit class. Where the Schemes invest into other schemes, the Responsible Entity's Fees are calculated after rebating management fees charged by the underlying schemes.

Schemes	Responsible Entity's fees % p.a.
Australian Share Fund - Class R	1.28
Australian Share Fund - Class I	0.90
Fixed Income Fund - Class R	0.99
Fixed Income Fund - Class I	0.47
International Share Fund - Class R	1.30
International Share Fund - Class I	0.93
Real Estate Fund - Class R	1.25
Real Estate Fund - Class I	0.70
Balanced Fund	1.13
Conservative Fund	1.00
Diversified Fund	1.07
Growth Fund	1.16

13 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

The transactions during the year and amounts payable at the reporting date between the Schemes and the Responsible Entity were as follows:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	15,822,523	17,451,357	2,729,140	2,607,397	28,326,277	21,609,672	6,744,036	5,700,827
Responsible Entity's fees payable	1,313,874	1,408,883	223,379	243,596	2,297,992	2,459,254	505,355	571,215
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	476,991	701,807	39,489	68,740	133,137	195,714	109,853	151,400
Responsible Entity's fees payable	42,153	42,168	3,120	3,733	11,714	11,350	10,318	9,105

13 Related party transactions (continued)

Related party unitholdings

Parties related to the Schemes (including the Responsible Entity, its related parties and other schemes managed by the Responsible Entity) held units in the Schemes as follows:

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
Australian Share Fund	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
ACRA Diversified Fund	9,614	1.7	1,767	1,114	2,574	8,961	1.3	8,961	-	981
Perpetual Charitable and Community Investor Fund	267,879	47.1	24,417	21,100	72,021	264,562	38.5	2,312	26,721	30,383
Perpetual Charitable Endowment Fund	84,586	14.9	13,869	6,274	22,657	76,991	11.2	2,538	1,411	8,766
Perpetual Private Balanced Fund	20,520	3.6	1,994	3,761	5,521	22,287	3.2	189	2,231	2,549
Perpetual Private Conservative Fund	357	0.1	162	397	102	592	0.1	147	354	70
Perpetual Private Diversified Fund	3,417	0.6	285	489	920	3,621	0.5	470	232	412
Perpetual Private Geared Australian Share Fund	-	-	-	-	-	-	-	6	2,597	6
Perpetual Private Geared High Growth Fund	-	-	-	-	-	-	-	6	2,123	7
Perpetual Private Growth Fund	7,494	1.3	1,373	1,585	2,021	7,706	1.1	716	1,474	881
Australian Eligible Rollover Fund	-	-	-	-	-	-	-	590	39,397	377
Perpetual's Select Superannuation Fund	166,803	29.4	19,819	17,267	44,845	164,251	23.9	6,633	28,891	18,783
Unitholders - Class I										
Perpetual Super Wrap	74,342	38.3	10,785	6,883	14,558	70,440	37.6	8,796	13,464	6,419

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
Fixed Income Fund	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Super Wrap	-	-	60	509	1	449	-	-	64	21
Perpetual's Select Superannuation Fund	-	-	787	7,721	22	6,934	0.6	618	1,248	331
Unitholders - Class I										
Perpetual Super Wrap	298,013	26.2	51,698	17,772	2,121	264,087	24.7	32,917	36,449	14,687

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000
International Share Fund										
Unitholders - Class R										
ACRA Diversified Fund	12,231	2.6	2,819	1,060	1,061	10,472	0.6	10,472	-	1,017
Perpetual Charitable and Community Investor Fund	67,198	14.5	15,415	4,863	5,870	56,646	3.4	56,646	-	5,420
Perpetual Charitable Endowment Fund	21,772	4.7	7,625	2,774	1,894	16,921	1.0	18,929	2,008	1,619
Perpetual Private Balanced Fund	36,673	7.9	5,014	7,613	3,207	39,272	2.3	14,843	4,036	3,815
Perpetual Private Conservative Fund	711	0.2	295	684	65	1,100	0.1	718	437	107
Perpetual Private Diversified Fund	6,160	1.3	754	811	539	6,217	0.4	2,722	371	604
Perpetual Private Geared High Growth Fund	-	-	-	-	-	-	-	145	2,505	-
Perpetual Private Growth Fund	13,662	2.9	3,020	2,812	1,196	13,454	0.8	4,359	362	1,307
Perpetual Super Wrap	-	-	15	315	3	300	-	79	-	29
Perpetual's Select Superannuation Fund	283,421	61.2	36,069	20,641	24,727	264,993	15.8	80,847	16,985	25,740
Unitholders - Class I										
Perpetual Super Wrap	277,505	23.7	45,421	10,180	31,308	242,264	23.5	56,186	13,194	31,935

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000
Real Estate Fund										
Unitholders - Class R										
ACRA Diversified Fund	5,362	2.9	1,087	1,071	307	5,346	0.7	5,346	-	49
Perpetual Charitable and Community Investor Fund	69,590	38.1	1,080	14,306	4,080	82,816	11.4	13,915	-	738
Perpetual Charitable Endowment Fund	22,816	12.5	4,128	3,409	1,324	22,097	3.0	5,202	2,586	200
Perpetual Private Balanced Fund	6,125	3.4	112	3,202	364	9,215	1.3	1,281	5,878	85
Perpetual Private Conservative Fund	162	0.1	19	221	11	364	0.1	85	160	4
Perpetual Private Diversified Fund	2,442	1.3	54	805	144	3,193	0.4	880	254	29
Perpetual Private Geared High Growth Fund	-	-	-	-	-	-	-	76	1,211	-
Perpetual Private Growth Fund	3,497	1.9	433	1,381	206	4,445	0.6	1,234	354	41
Perpetual Super Wrap	-	-	-	74	1	74	-	-	17	1
Perpetual's Select Superannuation Fund	65,798	36.0	4,954	30,252	3,937	91,096	12.5	20,694	14,217	843
Unitholders - Class I										
Perpetual Super Wrap	83,940	27.6	10,066	6,339	9,094	80,213	26.9	20,992	6,651	2,081

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000
Balanced Fund										
Unitholders										
Perpetual Super Wrap	-	-	135	3,050	27	2,915	2.1	234	604	294
Conservative Fund										
Unitholders										
Perpetual Super Wrap	-	-	34	1,773	18	1,739	23.1	30	1,070	146
Diversified Fund										
Unitholders										
Perpetual Super Wrap	-	-	9	401	4	392	1.3	10	255	26

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000
Growth Fund										
Unitholders										
Perpetual Super Wrap	-	-	1,055	2,279	22	1,224	3.7	446	36	132

Investments

The Schemes held investments in the following schemes which are also managed by the Responsible Entity or its related parties:

	Number of units held 30 June 2022 '000	Fair value of investments 30 June 2022 \$'000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions received/ receivable 30 June 2022 \$'000	Number of units held 30 June 2021 '000	Fair value of investments 30 June 2021 \$'000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions received/ receivable 30 June 2021 \$'000
Fixed Income Fund												
Investments												
Perpetual Institutional Cash Management Trust	-	-	-	-	-	-	-	-	-	36	8,778	7
Perpetual Private Credit Pooled Fund	711,933	651,033	72.7	100,921	26,706	9,855	637,718	621,942	72.0	117,316	15,582	42,466
Perpetual Private Duration Fixed Income Fund	481,094	422,306	74.7	51,613	23,796	96	453,277	441,285	73.9	32,922	89,978	20,611

13 Related party transactions (continued)

Investments (continued)

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held		of	units	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Balanced Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	10,604	9,666	2.5	1,574	636	658	9,666	9,017	2.4	429	3,938	200
Perpetual Growth Alternatives Pool Fund	11,886	17,670	2.1	928	3,403	473	14,361	18,637	2.6	1,635	4,831	1,974
Perpetual Institutional Cash Management Trust	-	-	-	-	-	-	-	-	-	16	7,044	5
Perpetual Private Australian Share Fund	20,520	30,064	3.6	1,994	3,761	5,521	22,287	40,945	3.2	189	2,231	2,549
Perpetual Private Credit Pooled Fund	21,684	19,828	2.2	1,947	2,929	314	22,666	22,105	2.6	4,558	347	1,504
Perpetual Private Duration Fixed Income Fund	13,014	11,424	2.0	1,861	2,342	3	13,495	13,137	2.2	1,448	5,220	615
Perpetual Private International Share Fund	36,673	46,910	7.9	5,014	7,613	3,207	39,272	61,737	2.3	14,843	4,036	3,815
Perpetual Private Real Estate Fund	6,125	5,563	3.4	112	3,202	364	9,215	9,552	1.3	1,281	5,878	85

13 Related party transactions (continued)

Investments (continued)

Conservative Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held			of	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	818	745	0.2	107	455	68	1,166	1,088	0.3	274	141	24
Perpetual Growth Alternatives Pool Fund	258	383	-	37	204	13	425	551	0.1	46	290	58
Perpetual Institutional Cash Management Trust	-	-	-	-	-	-	-	-	-	152	1,004	1
Perpetual Private Australian Share Fund	357	523	0.1	162	397	102	592	1,088	0.1	147	354	70
Perpetual Private Credit Pooled Fund	1,905	1,742	0.2	979	1,673	36	2,599	2,534	0.3	1,098	764	180
Perpetual Private Duration Fixed Income Fund	1,264	1,109	0.2	808	1,256	-	1,712	1,667	0.3	578	827	79
Perpetual Private International Share Fund	711	910	0.2	295	684	65	1,100	1,729	0.1	718	437	107
Perpetual Private Real Estate Fund	162	147	0.1	19	221	11	364	378	0.1	85	160	4

13 Related party transactions (continued)

Investments (continued)

Diversified Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held			of	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	2,304	2,101	0.5	237	-	144	2,067	1,928	0.5	58	908	43
Perpetual Growth Alternatives Pool Fund	2,738	4,071	0.5	196	523	108	3,065	3,978	0.5	328	1,001	421
Perpetual Institutional Cash Management Trust	-	-	-	-	-	-	-	-	-	3	1,482	1
Perpetual Private Australian Share Fund	3,417	5,006	0.6	285	489	920	3,621	6,653	0.5	470	232	412
Perpetual Private Credit Pooled Fund	7,725	7,064	0.8	614	561	110	7,672	7,482	0.9	983	73	509
Perpetual Private Duration Fixed Income Fund	5,036	4,421	0.8	450	469	1	5,055	4,921	0.8	423	1,580	230
Perpetual Private International Share Fund	6,160	7,879	1.3	754	811	539	6,217	9,774	0.4	2,722	371	604
Perpetual Private Real Estate Fund	2,442	2,218	1.3	54	805	144	3,193	3,309	0.4	880	254	29

13 Related party transactions (continued)

Investments (continued)

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held			of	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Growth Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	2,415	2,202	0.6	730	-	136	1,685	1,572	0.4	98	1,025	35
Perpetual Growth Alternatives Pool Fund	4,184	6,220	0.7	608	1,504	189	5,080	6,593	0.9	632	915	698
Perpetual Institutional Cash Management Trust	-	-	-	-	-	-	-	-	-	5	2,047	2
Perpetual Private Australian Share Fund	7,494	10,980	1.3	1,373	1,585	2,021	7,706	14,158	1.1	716	1,474	881
Perpetual Private Credit Pooled Fund	3,014	2,756	0.3	693	803	46	3,124	3,047	0.4	677	-	206
Perpetual Private Duration Fixed Income Fund	1,607	1,410	0.2	734	1,087	-	1,960	1,908	0.3	1,032	1,069	89
Perpetual Private International Share Fund	13,662	17,476	2.9	3,020	2,812	1,196	13,454	21,149	0.8	4,359	362	1,307
Perpetual Private Real Estate Fund	3,497	3,176	1.9	433	1,381	206	4,445	4,607	0.6	1,234	354	41

14 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding control and the relevant activities are directed by means of contractual arrangements.

The Schemes consider all investments in unlisted unit trusts to be structured entities. The Schemes may invest in related and unrelated unlisted unit trusts for the purpose of capital appreciation and earning investment income.

The unlisted unit trusts are invested in accordance with the investment strategy by their respective investment managers. The return of the unlisted unit trusts is exposed to the variability of the performance of their investments. The unlisted unit trusts finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective trusts' net assets and distributions.

The Schemes' exposure to structured entities is disclosed in note 7. The fair value of these entities is included in financial assets at fair value through profit or loss in the balance sheets.

The Schemes' maximum exposure to loss from their interests in the structured entities is equal to the total fair value of their investments in these entities as there are no off balance sheet exposures relating to them. The Schemes' exposure to any risk from the structured entities will cease when these investments are disposed of.

The Schemes do not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances currently made to these entities.

Unconsolidated subsidiaries

The Schemes apply the investment entity exception to consolidation available under AASB 10 *Consolidated Financial Statements* and measure their subsidiaries at fair value through profit or loss.

The following unconsolidated structured entities are considered to be the Schemes' subsidiaries at the reporting date:

	Fixed Income Fund			
	Fair value		Ownership interest	
	30 June 2022 \$'000	30 June 2021	30 June 2022 %	30 June 2021 %
Perpetual Private Credit Pooled Fund	651,033	621,942	72.7	72.0
Perpetual Private Duration Fixed Income Fund	422,306	441,285	74.7	73.9

The principal place of business for the above entities is Sydney, Australia.

15 Financial risk management

The Schemes' investing activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

A risk management framework has been established by the Responsible Entity of the Schemes to monitor the Schemes' compliance with their governing documents and to minimise risks in their investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage the investment activities. The Schemes are permitted to use derivative products. However, the use of derivatives must be consistent with the investment strategy and restrictions specified in the Schemes' governing documents.

All investments securities present a risk of loss of capital. The maximum loss of capital on long equities, unlisted unit trusts and debt securities is limited to the fair values of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The Schemes' asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Schemes' investment objectives. Risk management techniques are used in the selection of investments. Asset managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classes and counterparties.

The Schemes use different methods to measure different types of risks to which they are exposed. These methods include sensitivity analysis in the case of currency risk, interest rate risk and price risk; and credit ratings analysis for credit risk.

(a) Market risk

(i) Currency risk

Currency risk arises as the fair value or future cash flows of monetary securities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

With the exception of the International Share Fund and Real Estate Fund, the Schemes did not have any significant direct exposure to currency risk at the reporting date.

International Share Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme held foreign currency forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date. The Scheme does not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

Real Estate Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme did not hold any derivatives to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date.

15 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The following table summarises the Schemes' exposure to currency risk (net of foreign currency exposure arising from derivatives where applicable):

	International Share Fund		Real Estate Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
United States Dollar	1,580,688	1,770,659	221,646	220,736
British Pound	146,439	157,780	28,613	28,616
Euro	273,497	295,767	23,393	33,391
Hong Kong Dollar	128,287	119,729	13,503	21,212
Japanese Yen	134,403	152,731	21,990	18,126
Other currencies	<u>229,786</u>	<u>262,671</u>	<u>5,780</u>	<u>20,955</u>
Total foreign currency exposure	<u>2,493,100</u>	<u>2,759,337</u>	<u>314,925</u>	<u>343,036</u>

The table presented in note 15(a)(iv) summarises sensitivity analysis to currency risk. This analysis is based on the assumption that the Australian dollar weakened and strengthened against the individual foreign currency to which the Schemes are significantly exposed to at the reporting date.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Schemes are exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Schemes to fair value interest rate risk.

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The following tables summarise the Schemes' exposure to interest rate risk:

	Australian Share Fund							
	30 June 2022				30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	164,738	-	-	164,738	30,438	-	-	30,438
Debt securities	9,121	-	-	9,121	9,244	-	-	9,244
	Fixed Income Fund							
	30 June 2022				30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	752	-	-	752	29,762	-	-	29,762
	International Share Fund							
	30 June 2022				30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	120,374	-	-	120,374	93,429	-	-	93,429

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Real Estate Fund							
	30 June 2022			Total	30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	40,622	-	-	40,622	33,650	-	-	33,650
	Balanced Fund							
	30 June 2022			Total	30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	3,218	-	-	3,218	2,178	-	-	2,178
	Conservative Fund							
	30 June 2022			Total	30 June 2021			
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	237	-	-	237	136	-	-	136

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Diversified Fund							
	30 June 2022			Total	30 June 2021			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	200	-	-	200	231	-	-	231

	Growth Fund							
	30 June 2022			Total	30 June 2021			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	2,475	-	-	2,475	1,318	-	-	1,318

The table presented in note 15(a)(iv) summarises sensitivity analysis to interest rate risk. This analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

15 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Schemes are exposed to price risk predominantly through their investments for which prices in the future are uncertain. The price risk arising from investments in debt securities is impacted by movements in interest rates and is reflected in note 15(a)(ii).

The fair value of the Schemes' investments exposed to price risk was as follows:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives	(2,734)	(3,929)	-	-	-	-	-	-
Equity securities	1,031,565	1,294,557	-	-	2,416,125	2,674,347	614,973	709,068
Units in fixed income trusts	-	-	1,073,339	1,063,227	-	-	-	-
Units in equity and other trusts	-	-	-	-	-	-	-	7,982
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Units in fixed income trusts	31,252	35,242	2,851	4,201	11,485	12,403	4,166	4,955
Units in equity and other trusts	109,873	139,888	2,708	4,834	21,275	25,642	40,054	48,079

The table presented in note 15(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

The following tables summarise the sensitivity of the operating profit and net assets attributable to unitholders to currency risk, interest rate risk and price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign currency exchange rates, interest rates and historical correlation of the Schemes' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusual large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Schemes invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Sensitivity rates	Impact on operating profit/net assets attributable to unitholders			
		International Share Fund		Real Estate Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Currency risk					
USD	+10%	(158,069)	(177,066)	(22,165)	(22,074)
	-10%	158,069	177,066	22,165	22,074
GBP	+8%	(11,715)	(12,622)	(2,289)	(2,289)
	-8%	11,715	12,622	2,289	2,289
EUR	+8%	(21,880)	(23,661)	(1,871)	(2,671)
	-8%	21,880	23,661	1,871	2,671
HKD	+10%	(12,829)	(11,973)	(1,350)	(2,121)
	-10%	12,829	11,973	1,350	2,121
JPY	+10%	(13,440)	(15,273)	(2,199)	(1,813)
	-10%	13,440	15,273	2,199	1,813

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders							
		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
Sensitivity rates		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate risk	+1.00%	1,739	-	8	-	1,204	-	432	-
	-1.00%	(1,739)	-	(8)	-	(1,204)	-	(432)	-
	+0.10%	-	38	-	30	-	93	-	34
	-0.10%	-	(38)	-	(30)	-	(93)	-	(34)
Price risk									
Equities and equity related securities*	+10%	110,905	129,063	-	-	241,613	267,435	61,497	71,705
	-10%	(110,905)	(129,063)	-	-	(241,613)	(267,435)	(61,497)	(71,705)
Units in fixed income trusts	+5%	-	-	53,667	53,161	-	-	-	-
	-5%	-	-	(53,667)	(53,161)	-	-	-	-

*Include equities, derivatives and units in equity and other trusts.

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on profit/net assets attributable to unitholders							
		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	Sensitivity rates	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate risk	+1.00%	23	-	4	-	4	-	17	-
	-1.00%	(23)	-	(4)	-	(4)	-	(17)	-
	+0.10%	-	2	-	-	-	-	-	1
	-0.10%	-	(2)	-	-	-	-	-	(1)
Price risk									
Units in fixed income trusts	+5%	1,563	1,762	143	210	574	620	208	248
	-5%	(1,563)	(1,762)	(143)	(210)	(574)	(620)	(208)	(248)
Units in equity and other trusts	+10%	10,987	13,989	271	483	2,128	2,564	4,005	4,808
	-10%	(10,987)	(13,989)	(271)	(483)	(2,128)	(2,564)	(4,005)	(4,808)

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Schemes are exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, and receivables for securities sold. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

The Schemes determine credit risk and measure expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers relevant, historical analysis and forward looking information in determining any expected credit loss. At the reporting date, all receivables and cash and cash equivalents are held with approved counterparties and are either callable on demand or due within 30 days. Management considers the probability of default to be low, as a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes.

(i) Derivative financial instruments

The risk of counterparty default in a derivative transaction is minimised by predominantly using exchange traded derivatives (except for currency hedging, contracts for differences, and occasionally other approved over the counter instruments). The exchange traded derivatives are only executed and cleared through approved members of the exchanges. For over the counter derivatives, minimum credit ratings apply for counterparties at the time of entering into a contract and ISDA agreements are put in place with counterparties.

15 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high grade credit rating.

(iii) Receivables for securities sold

All transactions in equity and debt securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty. Payments on securities acquired are only made after the broker has received the securities. The trade will fail if either party fails to meet its obligations.

All transactions in unlisted unit trusts are settled/unitised when unit prices are issued. The risk of default is considered low except when trading in a suspended unlisted unit trust.

(c) Liquidity risk

Liquidity risk is the risk that the Schemes will not be able to meet their financial obligations as they fall due.

The Schemes are exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives.

The Schemes' investments in equity securities are considered to be readily realisable. The Schemes primarily hold investments in an active market which can be readily disposed. Only a limited proportion of these investments are not actively traded on a stock exchange.

The Schemes' investments in unlisted unit trusts expose them to the risk that the Responsible Entity or the manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Schemes. However, these investments are considered readily realisable unless the unlisted unit trusts are declared illiquid or suspended.

The Schemes may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Schemes may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events. No significant over the counter derivative contracts were held at year end.

In order to manage the Schemes' overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Schemes' investment criteria, including the assessment of saleability in different market conditions. The Schemes' investment strategy generally defines a minimum liquidity level for the Schemes which is monitored regularly.

15 Financial risk management (continued)

(c) Liquidity risk (continued)

The following tables summarise the contractual maturities of financial liabilities, including interest payments where applicable:

	Australian Share Fund									
	30 June 2022					30 June 2021				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000
Non-derivative financial liabilities										
Distributions payable	171,370	-	171,370	-	-	71,079	-	71,079	-	-
Payables for securities purchased	4,967	-	4,967	-	-	3,258	-	3,258	-	-
Payables	3,823	-	3,823	-	-	2,867	-	2,867	-	-
Net assets attributable to unitholders - liability	<u>1,029,462</u>	<u>1,029,462</u>	-	-	-	<u>1,262,583</u>	<u>1,262,583</u>	-	-	-
Total	<u>1,209,622</u>	<u>1,029,462</u>	<u>180,160</u>	-	-	<u>1,339,787</u>	<u>1,262,583</u>	<u>77,204</u>	-	-
Derivative financial liabilities										
Futures	210	-	210	-	-	-	-	-	-	-
Options	<u>2,524</u>	-	<u>2,424</u>	<u>100</u>	-	<u>3,929</u>	-	<u>3,929</u>	-	-
Total	<u>2,734</u>	-	<u>2,634</u>	<u>100</u>	-	<u>3,929</u>	-	<u>3,929</u>	-	-

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Fixed Income Fund									
	Carrying amount	30 June 2022 Contractual cash flows				Carrying amount	30 June 2021 Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	580	-	580	-	-	51,688	-	51,688	-	-
Payables	758	-	758	-	-	497	-	497	-	-
Net assets attributable to unitholders - liability	<u>1,084,192</u>	<u>1,084,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,109,329</u>	<u>1,109,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,085,530</u>	<u>1,084,192</u>	<u>1,338</u>	<u>-</u>	<u>-</u>	<u>1,161,514</u>	<u>1,109,329</u>	<u>52,185</u>	<u>-</u>	<u>-</u>

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	International Share Fund									
	30 June 2022					30 June 2021				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call	less than 6 months	6-12 months	more than 12 months	\$'000	At call	less than 6 months	6-12 months	more than 12 months	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities										
Distributions payable	151,969	-	151,969	-	-	169,506	-	169,506	-	-
Payables for securities purchased	2,953	-	2,953	-	-	11,140	-	11,140	-	-
Payables	8,900	-	8,900	-	-	3,700	-	3,700	-	-
Net assets attributable to unitholders - liability	<u>2,382,390</u>	<u>2,382,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,620,768</u>	<u>2,620,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,546,212</u>	<u>2,382,390</u>	<u>163,822</u>	<u>-</u>	<u>-</u>	<u>2,805,114</u>	<u>2,620,768</u>	<u>184,346</u>	<u>-</u>	<u>-</u>
Derivative financial liabilities										
Foreign currency forward contracts	22	-	-	-	-	-	-	-	-	-
Outflow	-	-	3,734	-	-	-	-	-	-	-
Inflow	-	-	(3,712)	-	-	-	-	-	-	-
Total	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Real Estate Fund									
	30 June 2022					30 June 2021				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000
Non-derivative financial liabilities										
Distributions payable	36,465	-	36,465	-	-	5,549	-	5,549	-	-
Payables for securities purchased	2,467	-	2,467	-	-	675	-	675	-	-
Payables	514	-	514	-	-	644	-	644	-	-
Net assets attributable to unitholders - liability	<u>627,715</u>	<u>627,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>752,758</u>	<u>752,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>667,161</u>	<u>627,715</u>	<u>39,446</u>	<u>-</u>	<u>-</u>	<u>759,626</u>	<u>752,758</u>	<u>6,868</u>	<u>-</u>	<u>-</u>

	Balanced Fund									
	30 June 2022					30 June 2021				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000
Non-derivative financial liabilities										
Distributions payable	19,188	-	19,188	-	-	13,299	-	13,299	-	-
Payables	2,115	-	2,115	-	-	42	-	42	-	-
Total	<u>21,303</u>	<u>-</u>	<u>21,303</u>	<u>-</u>	<u>-</u>	<u>13,341</u>	<u>-</u>	<u>13,341</u>	<u>-</u>	<u>-</u>

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Conservative Fund									
	Carrying amount	30 June 2022 Contractual cash flows				Carrying amount	30 June 2021 Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	836	-	836	-	-	613	-	613	-	-
Payables	129	-	129	-	-	4	-	4	-	-
Total	965	-	965	-	-	617	-	617	-	-
	Diversified Fund									
	Carrying amount	30 June 2022 Contractual cash flows				Carrying amount	30 June 2021 Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	2,546	-	2,546	-	-	1,994	-	1,994	-	-
Payables	12	-	12	-	-	11	-	11	-	-
Total	2,558	-	2,558	-	-	2,005	-	2,005	-	-

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Growth Fund									
	30 June 2022					30 June 2021				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call	less than 6 months	6-12 months	more than 12 months	\$'000	At call	less than 6 months	6-12 months	more than 12 months	\$'000
Non-derivative financial liabilities										
Distributions payable	5,134	-	5,134	-	-	3,399	-	3,399	-	-
Payables for securities purchased	190	-	190	-	-	-	-	-	-	-
Payables	1,899	-	1,899	-	-	9	-	9	-	-
Total	7,223	-	7,223	-	-	3,408	-	3,408	-	-

(d) Fair value measurement

The Schemes classify fair value measurement of their financial assets and liabilities using a fair value hierarchy model that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

(i) Fair value in an active market (level 1) (continued)

Equity securities and exchange traded derivatives are valued at the last traded price. For the majority of these financial instruments, information provided by the independent pricing services is relied upon for valuation.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

Debt securities are generally valued using broker quotes. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Management monitored credit spreads closely and conducted regular review to ensure any estimates and assumptions used in the valuation model remained appropriate.

The fair value of derivatives that are not exchange traded is estimated at the amount that would be received or paid to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and approximate yield curve) and the current creditworthiness of the counterparties.

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Schemes may make adjustments to the value based on the considerations such as: liquidity of the unlisted unit trust or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

The Responsible Entity regularly reviews securities to identify any that potentially may not be actively traded or have stale security pricing. This process identifies securities which could be regarded as level 3 securities.

The Perpetual Private International Share Fund's level 3 assets include listed equity securities that are impacted by uncertainties pertaining to current geopolitical events. The valuation of these securities is based on the most recently observable price as at 30 June 2022.

The remaining Schemes did not hold any financial instruments with fair value measurements using significant unobservable inputs (level 3) at 30 June 2022 and 30 June 2021.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

The following tables present the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy levels:

	Australian Share Fund							
	30 June 2022				30 June 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Equity securities	1,029,901	1,664	-	1,031,565	1,293,801	756	-	1,294,557
Debt securities	9,121	-	-	9,121	9,244	-	-	9,244
Total	1,039,022	1,664	-	1,040,686	1,303,045	756	-	1,303,801
Financial liabilities at fair value through profit or loss								
Derivatives								
Futures	210	-	-	210	-	-	-	-
Options	2,524	-	-	2,524	3,929	-	-	3,929
Total	2,734	-	-	2,734	3,929	-	-	3,929
	Fixed Income Fund							
	30 June 2022				30 June 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	1,073,339	-	1,073,339	-	1,063,227	-	1,063,227
Total	-	1,073,339	-	1,073,339	-	1,063,227	-	1,063,227

15 Financial risk management (continued)

(d) Fair value measurement (continued)

	International Share Fund							
	30 June 2022				30 June 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	1	-	1	-	-	-	-
Equity securities	<u>2,412,689</u>	-	<u>3,436</u>	<u>2,416,125</u>	<u>2,669,735</u>	<u>4,612</u>	-	<u>2,674,347</u>
Total	<u>2,412,689</u>	<u>1</u>	<u>3,436</u>	<u>2,416,126</u>	<u>2,669,735</u>	<u>4,612</u>	-	<u>2,674,347</u>
Financial liabilities at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	<u>22</u>	-	<u>22</u>	-	-	-	-
Total	-	<u>22</u>	-	<u>22</u>	-	-	-	-
	Real Estate Fund							
	30 June 2022				30 June 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	14	-	14	-	-	-	-
Equity securities	<u>614,973</u>	-	-	<u>614,973</u>	<u>709,068</u>	-	-	<u>709,068</u>
Unlisted unit trusts	-	-	-	-	-	<u>7,982</u>	-	<u>7,982</u>
Total	<u>614,973</u>	<u>14</u>	-	<u>614,987</u>	<u>709,068</u>	<u>7,982</u>	-	<u>717,050</u>

15 Financial risk management (continued)

(d) Fair value measurement (continued)

	Balanced Fund							
	30 June 2022			Total \$'000	30 June 2021			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	141,125	-	141,125	112,234	62,896	-	175,130
Total	-	141,125	-	141,125	112,234	62,896	-	175,130

	Conservative Fund							
	30 June 2022			Total \$'000	30 June 2021			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	5,559	-	5,559	3,195	5,840	-	9,035
Total	-	5,559	-	5,559	3,195	5,840	-	9,035

	Diversified Fund							
	30 June 2022			Total \$'000	30 June 2021			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	32,760	-	32,760	19,736	18,309	-	38,045
Total	-	32,760	-	32,760	19,736	18,309	-	38,045

15 Financial risk management (continued)

(d) Fair value measurement (continued)

	Growth Fund							
	30 June 2022			30 June 2021				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	44,220	-	44,220	39,914	13,120	-	53,034
Total	-	44,220	-	44,220	39,914	13,120	-	53,034

(iii) Transfers between levels

The Schemes' policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

The following tables present the transfers between fair value hierarchy levels, by class of financial instruments, for the year ended 30 June 2022:

International Share Fund

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 2 and 3:			
Equity securities	-	(3,436)	3,436

The transfers to level 3 relate to listed equity securities that are subject to trading restrictions imposed due to current geopolitical events, which affect the liquidity of the securities.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

(iii) Transfers between levels (continued)

Balanced Fund

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	(82,537)	82,537	-

Conservative Fund

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	(1,580)	1,580	-

Diversified Fund

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	(15,104)	15,104	-

15 Financial risk management (continued)

(d) Fair value measurement (continued)

(iii) Transfers between levels (continued)

Growth Fund

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2:			
Unlisted unit trusts	(31,633)	31,633	-

There were no transfers between levels for the year ended 30 June 2021.

The transfers from level 1 to level 2 related to the unlisted unit trusts were due to the change in the Schemes' assessment of the fair value hierarchy levels. There have been no changes in the inputs and valuation methodology for the relevant unlisted unit trusts.

(iv) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments, by class of financial instruments, for the year ended 30 June 2022:

	International Share Fund			
	30 June 2022 Equity securities \$'000	30 June 2022 Total \$'000	30 June 2021 Equity securities \$'000	30 June 2021 Total \$'000
Opening balance	-	-	-	-
Transfers into level 3	3,436	3,436	-	-
Gains/(losses) recognised in profit or loss	-	-	-	-
Closing balance	3,436	3,436	-	-
Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date	-	-	-	-

There was no movement in level 3 instruments for the year ended 30 June 2021.

16 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheets are disclosed in the first three columns of the tables below:

	30 June 2022					30 June 2021				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
Australian Share Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Margin Account	5,923	-	5,923	(2,734)	3,189	-	-	-	-	-
Total	5,923	-	5,923	(2,734)	3,189	-	-	-	-	-
Financial liabilities										
Derivative financial instruments	(2,734)	-	(2,734)	2,734	-	(3,929)	-	(3,929)	-	(3,929)
Total	(2,734)	-	(2,734)	2,734	-	(3,929)	-	(3,929)	-	(3,929)

16 Offsetting financial assets and financial liabilities (continued)

		30 June 2022					30 June 2021				
		Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
International Share Fund											
Financial assets											
	Derivative financial instruments	1	-	1	(1)	-	-	-	-	-	-
	Total	1	-	1	(1)	-	-	-	-	-	-
Financial liabilities											
	Derivative financial instruments	(22)	-	(22)	1	(21)	-	-	-	-	-
	Total	(22)	-	(22)	1	(21)	-	-	-	-	-
		30 June 2022					30 June 2021				
		Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
		Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Real Estate Fund											
Financial assets											
	Derivative financial instruments	14	-	14	-	14	-	-	-	-	-
	Total	14	-	14	-	14	-	-	-	-	-

Apart from the Schemes mentioned in this note, no other Schemes held financial assets or liabilities subject to offsetting arrangements at the reporting date.

16 Offsetting financial assets and financial liabilities (continued)

Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Schemes do not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheets, but have been presented separately in this note.

17 Derivative financial instruments

A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign currency exchange rates, index of prices or rates, credit rating or credit index or other variables.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as foreign currency forward contracts, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Schemes' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Schemes against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Schemes.

The Schemes held the following derivative financial instruments during the year:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

17 Derivative financial instruments (continued)

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Schemes are exchange traded. The Schemes are exposed to credit risks on purchased options to the extent of their carrying amounts which are their fair values. Options are settled on a gross basis to exchange the underlying security or financial instrument if the option is exercised.

(c) Foreign currency forward contracts

Foreign currency forward contracts are primarily used by the Schemes to hedge against currency risks on its non-Australian dollar denominated trading securities. The Schemes agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency forward contracts are valued at the prevailing bid price at the end of each reporting period.

Risk exposures and fair value measurements

Information about the Schemes' exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

18 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2022 or on the results and cash flows of the Schemes for the year ended on that date.

On 9 August 2022, the Responsible Entity approved the termination of the Perpetual Private Conservative Fund. The termination was considered to be in the best interests of its unitholders as the Scheme had not attained the scale required for it to remain viable, particularly in terms of investment and operating cost efficiencies. The Scheme paid the final return of capital to unitholders and was formally wound up on 14 September 2022.

19 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2022 and 30 June 2021.

Directors' declaration


Perpetual Investment Management Limited presents the Directors' declaration in respect of the following Schemes:

Perpetual Private Australian Share Fund
Perpetual Private Fixed Income Fund
Perpetual Private International Share Fund
Perpetual Private Real Estate Fund
Perpetual Private Balanced Fund
Perpetual Private Conservative Fund
Perpetual Private Diversified Fund
Perpetual Private Growth Fund

In the opinion of the directors of Perpetual Investment Management Limited, the Responsible Entity of the Schemes:

- (a) the financial statements and notes, set out on page 7 to 75, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2022 and of their performances for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Director

Sydney
21 September 2022



Independent Auditor's Report

To the respective unitholders of the following Schemes:

Perpetual Private Diversified Fund;

Perpetual Private Balanced Fund;

Perpetual Private Growth Fund;

Perpetual Private Conservative Fund;

Perpetual Private Real Estate Fund;

Perpetual Private International Share Fund;

Perpetual Private Australian Share Fund; and

Perpetual Private Fixed Income Fund.

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinion

We have audited the **Financial Report** of the Schemes.

In our opinion, the accompanying **Financial Report** of each Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 30 June 2022 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Reports** of the individual Schemes comprise of:

- Balance sheets as at 30 June 2022;
- Statements of comprehensive income for the year then ended;
- Statements of changes in equity, and statement of cash flows for the year then ended;
- Notes to the financial statements including a summary of significant accounting policies; and
- Directors' Declarations.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Schemes in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in the issuer of the respective Schemes' annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Emphasis of matter – Basis of preparation

We draw attention to Note 2 (a) of the Financial Report under heading 'Basis of preparation other than going concern – Perpetual Private Conservative Fund, which describes the basis of preparation of the Financial Report of the Scheme. The financial report has been prepared on a basis other than going concern basis following a resolution to wind up the Scheme made by the Board of Directors of the Responsible Entity on 9 August 2022. Perpetual Private Conservative Fund is prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Schemes' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Schemes or to cease operations, or have no realistic

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