

PERPETUAL PRIVATE INVESTMENT FUNDS

ANNUAL FINANCIAL REPORT
30 JUNE 2019

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

Perpetual Private Investment Funds Annual Financial Report 30 June 2019

Contents	Page
Directors' report	2
Lead auditor's independence declaration	7
Statements of comprehensive income	8
Balance sheets	10
Statements of changes in equity	12
Statements of cash flows	15
Notes to the financial statements	17
Directors' declaration	77
Independent auditor's report to the unitholders	78

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 2019 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 Geared Australian Share Fund	"Geared Australian Share Fund"	124 209 203
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
Perpetual Private Geared High Growth Fund	"Geared High Growth Fund"	124 209 463

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:

D Lane (appointed 20 April 2017)
C Green (appointed 17 October 2018)
R Adams (appointed 17 October 2018)
G Larkins (appointed 7 January 2013, resigned 12 October 2018)
M Smith (appointed 3 November 2016, resigned 17 October 2018)
G Foster (appointed 25 January 2013, resigned 12 October 2018, Alternate for G Larkins)

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 continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

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 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Operating profit/(loss)	40,164	134,280	53,218	17,861	167,864	231,796	86,723	64,116
Distributions paid and payable	78,213	71,820	35,968	25,551	71,043	129,901	8,121	11,130
Distributions (cents per unit) - Class R	10.17	9.42	2.34	1.49	4.06	9.56	0.40	0.88
Distributions (cents per unit) - Class I	8.93	8.56	3.69	2.90	7.63	13.90	2.91	3.50

Directors' report (continued)

Review and results of operations (continued)

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

	Geared Australian Share Fund¹		Balanced Fund		Conservative Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	188,554	833,795	10,160	15,077	509	555
Distributions paid and payable	556,866	606,704	12,862	10,276	465	175
Distributions (cents per unit)	8.71	9.77	8.87	6.63	4.77	1.65
	Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	1,994	2,306	2,650	4,290	681	1,224
Distributions paid and payable	1,722	570	806	637	866	293
Distributions (cents per unit)	5.41	1.70	2.50	1.92	9.79	3.06

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Directors' report (continued)

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 is 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

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

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

No matter or circumstance has arisen since 30 June 2019 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' property during the year are disclosed in note 14 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 associates as at the end of the financial year are disclosed in note 14 to the financial statements.

Directors' report (continued)

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* and in accordance with that Instrument, Schemes with common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial report.

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.



Director

Sydney
18 September 2019



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

To the Directors of Perpetual Investment Management Limited as the Responsible Entity 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 Geared Australian Share Fund;

Perpetual Private Balanced Fund;

Perpetual Private Conservative Fund;

Perpetual Private Diversified Fund;

Perpetual Private Growth Fund; and

Perpetual Private Geared High Growth 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 2019 there have been:

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

KPMG

Jessica Davis

Partner

Sydney

18 September 2019

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2019

Statements of comprehensive income

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Investment income										
Dividend/distribution income	51,314	51,320	38,033	22,076	22,327	28,901	24,735	27,054	426,476	442,412
Interest income	3,447	3,433	538	1,473	2,124	1,224	376	644	4,853	1,594
Net gains/(losses) on financial instruments at fair value through profit or loss	10,908	104,984	17,259	(3,205)	160,934	220,959	69,281	44,270	(229,213)	411,642
Net foreign exchange gains/(losses)	(19)	(23)	-	-	3,572	1,027	305	(203)	-	-
Other income	89	177	-	-	278	129	71	80	155,592	173,400
Total net investment income/(loss)	65,739	159,891	55,830	20,344	189,235	252,240	94,768	71,845	357,708	1,029,048
Expenses										
Responsible Entity's fees	23,559	23,759	2,515	2,374	18,733	17,961	7,365	7,100	155,381	173,185
Other operating expenses	2,016	1,852	97	109	2,638	2,483	680	629	13,773	22,068
Total expenses	25,575	25,611	2,612	2,483	21,371	20,444	8,045	7,729	169,154	195,253
Operating profit/(loss)	40,164	134,280	53,218	17,861	167,864	231,796	86,723	64,116	188,554	833,795
Finance costs attributable to unitholders										
Distributions to unitholders	78,213	71,820	35,968	25,551	71,043	129,901	8,121	11,130	-	-
Interest expense	-	-	-	-	3	1	12	10	146,138	151,010
Changes in net assets attributable to unitholders	(38,049)	62,460	17,250	(7,690)	96,818	101,894	78,590	52,976	-	-
Profit/(loss)	-	-	-	-	-	-	-	-	42,416	682,785
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	42,416	682,785

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2019
(continued)

Statements of comprehensive income

		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income											
Dividend/distribution income		6,969	8,892	427	441	1,472	1,554	1,830	2,366	444	611
Interest income		58	68	10	11	22	35	30	20	6	6
Net gains/(losses) on financial instruments at fair value through profit or loss	3	4,457	7,530	233	280	909	1,137	1,085	2,182	280	657
Other income		-	-	-	-	-	-	-	-	192	193
Total net investment income/(loss)		11,484	16,490	670	732	2,403	2,726	2,945	4,568	922	1,467
Expenses											
Responsible Entity's fees	14	1,284	1,364	125	133	373	376	256	230	227	221
Other operating expenses	4	40	49	36	44	36	44	39	48	14	22
Total expenses		1,324	1,413	161	177	409	420	295	278	241	243
Operating profit/(loss)		10,160	15,077	509	555	1,994	2,306	2,650	4,290	681	1,224
Finance costs attributable to unitholders											
Interest expense		-	-	-	-	-	-	-	-	151	136
Profit/(loss)		10,160	15,077	509	555	1,994	2,306	2,650	4,290	530	1,088
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		10,160	15,077	509	555	1,994	2,306	2,650	4,290	530	1,088

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

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2019

Balance sheets

		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Assets											
Cash and cash equivalents	12(b)	102,141	61,335	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990
Financial assets at fair value through profit or loss	7	1,211,218	1,253,580	990,749	927,666	1,524,685	1,414,592	634,011	602,968	6,945,930	8,047,609
Receivables for securities sold		1,779	15,308	-	-	6,951	50,957	3,830	2,356	-	-
Receivables	9	5,799	11,835	22,905	9,870	3,842	15,158	6,462	7,248	311,835	350,117
Total assets		1,320,937	1,342,058	1,046,200	964,888	1,691,854	1,587,846	672,024	651,603	7,591,034	8,491,716
Liabilities											
Financial liabilities at fair value through profit or loss	8	9,122	3,607	-	-	-	-	-	-	-	-
Distributions payable to unitholders of the Schemes	5	50,832	51,561	21,693	9,850	58,119	122,168	2,707	2,150	556,866	606,704
Payables for securities purchased		5,376	3,031	-	-	6,745	1,422	3,717	643	-	-
Payables	10	6,559	5,917	4,328	928	9,600	3,831	2,595	1,417	32,038	34,601
Bank loans	11	-	-	-	-	-	-	-	-	3,756,537	4,200,346
Interest payable	11	-	-	-	-	-	-	-	-	897	877
Total liabilities (excluding net assets attributable to unitholders)		71,889	64,116	26,021	10,778	74,464	127,421	9,019	4,210	4,346,338	4,842,528
Net assets attributable to unitholders - liability	6	1,249,048	1,277,942	1,020,179	954,110	1,617,390	1,460,425	663,005	647,393	-	-
Net assets attributable to unitholders - equity	6	-	-	-	-	-	-	-	-	3,244,696	3,649,188

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2019
(continued)

Balance sheets

		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Cash and cash equivalents	12(b)	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576
Financial assets at fair value through profit or loss	7	176,276	194,616	11,101	11,846	38,450	39,189	45,295	45,574	11,222	11,196
Receivables	9	4,030	5,967	237	317	843	914	1,106	1,729	320	504
Total assets		188,561	201,717	12,178	12,870	40,536	41,053	49,179	49,521	11,911	12,276
Liabilities											
Distributions payable to unitholders of the Schemes	5	11,141	8,797	382	114	1,451	360	489	415	866	293
Payables for securities purchased		-	500	-	-	-	-	-	200	-	-
Payables	10	212	139	39	95	61	66	55	74	42	45
Bank loans	11	-	-	-	-	-	-	-	-	3,908	3,912
Interest payable	11	-	-	-	-	-	-	-	-	1	1
Total liabilities		11,353	9,436	421	209	1,512	426	544	689	4,817	4,251
Net assets attributable to unitholders - equity	6	177,208	192,281	11,757	12,661	39,024	40,627	48,635	48,832	7,094	8,025

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.

Perpetual Private Investment Funds
Statements of changes in equity
For the year ended 30 June 2019
(continued)

Statements of changes in equity

		Geared Australian Share Fund¹		Balanced Fund		Conservative Fund	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year	6	3,649,188	-	192,281	-	12,661	-
Reclassification due to AMIT tax regime implementation*	6	-	3,976,365	-	198,918	-	13,779
Comprehensive income for the year							
Profit/(loss)		42,416	682,785	10,160	15,077	509	555
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		42,416	682,785	10,160	15,077	509	555
Transactions with unitholders							
Applications	6	775,128	832,545	7,643	6,439	1,542	1,974
Redemptions	6	(1,271,874)	(1,534,700)	(21,227)	(18,855)	(2,559)	(3,541)
Units issued upon reinvestment of distributions	6	606,704	298,897	1,213	978	69	69
Distributions to unitholders	5, 6	(556,866)	(606,704)	(12,862)	(10,276)	(465)	(175)
Total transactions with unitholders		(446,908)	(1,009,962)	(25,233)	(21,714)	(1,413)	(1,673)
Total equity at the end of the year	6	3,244,696	3,649,188	177,208	192,281	11,757	12,661

* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity.

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of changes in equity
For the year ended 30 June 2019
(continued)

Statements of changes in equity

		Diversified Fund		Growth Fund		Geared High Growth Fund	
	Notes	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Total equity at the beginning of the year	6	40,627	-	48,832	-	8,025	-
Reclassification due to AMIT tax regime implementation*	6	-	41,937	-	45,636	-	7,311
Comprehensive income for the year							
Profit/(loss)		1,994	2,306	2,650	4,290	530	1,088
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		1,994	2,306	2,650	4,290	530	1,088
Transactions with unitholders							
Applications	6	1,009	582	3,283	4,935	928	1,424
Redemptions	6	(3,052)	(3,839)	(5,509)	(5,653)	(1,816)	(1,847)
Units issued upon reinvestment of distributions	6	168	211	185	261	293	342
Distributions to unitholders	5, 6	(1,722)	(570)	(806)	(637)	(866)	(293)
Total transactions with unitholders		(3,597)	(3,616)	(2,847)	(1,094)	(1,461)	(374)
Total equity at the end of the year	6	39,024	40,627	48,635	48,832	7,094	8,025

* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity.

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

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2019

Statements of cash flows	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Cash flows from operating activities										
Dividends/distributions received	56,842	51,570	22,825	21,476	31,917	22,811	24,997	26,119	467,394	203,923
Interest received	3,444	3,459	538	1,477	2,125	1,223	376	645	4,846	1,595
Other income received	1,953	2,027	183	177	1,652	1,289	611	646	170,152	187,254
Responsible Entity's fees paid	(25,330)	(25,364)	(2,678)	(2,532)	(20,084)	(19,072)	(7,908)	(7,568)	(168,074)	(186,359)
Other operating expenses paid	(2,090)	(2,018)	(90)	(121)	(1,331)	(3,284)	(676)	(697)	(15,568)	(22,577)
Net cash inflow/(outflow) from operating activities	34,819	29,674	20,778	20,477	14,279	2,967	17,400	19,145	458,750	183,836
Cash flows from investing activities										
Proceeds from sale of investments	570,867	411,670	12,000	364,092	616,639	649,924	258,181	224,030	2,413,860	2,035,666
Payments for purchase of investments	(496,235)	(443,906)	(57,824)	(603,569)	(511,675)	(702,181)	(217,990)	(254,996)	(1,541,394)	(1,345,923)
Net cash inflow/(outflow) from investing activities	74,632	(32,236)	(45,824)	(239,477)	104,964	(52,257)	40,191	(30,966)	872,466	689,743
Cash flows from financing activities										
Proceeds from applications by unitholders	53,598	59,950	167,180	228,542	174,626	196,486	49,221	83,267	769,770	839,963
Payments for redemptions by unitholders	(107,314)	(83,460)	(112,953)	(86,157)	(138,934)	(135,685)	(111,267)	(68,234)	(1,271,780)	(1,534,176)
Distributions paid	(14,929)	(6,665)	(23,987)	(22,836)	(104,472)	(28,170)	(6,795)	(12,916)	-	-
Proceeds from bank loans	12(d) -	-	-	-	-	-	-	-	1,220,191	1,293,068
Repayments of bank loans	12(d) -	-	-	-	-	-	-	-	(1,664,000)	(1,356,000)
Interest expense paid	-	-	-	-	(3)	(1)	(12)	(10)	(146,118)	(150,531)
Net cash inflow/(outflow) from financing activities	(68,645)	(30,175)	30,240	119,549	(68,783)	32,630	(68,853)	2,107	(1,091,937)	(907,676)
Net increase/(decrease) in cash and cash equivalents	40,806	(32,737)	5,194	(99,451)	50,460	(16,660)	(11,262)	(9,714)	239,279	(34,097)
Cash and cash equivalents at the beginning of the year	61,335	94,072	27,352	126,803	107,139	120,240	39,031	48,730	93,990	128,087
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(1,223)	3,559	(48)	15	-	-
Cash and cash equivalents at the end of the year	102,141	61,335	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2019
(continued)

Statements of cash flows		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
		8,903	4,522	432	307	1,544	959	2,448	1,053	631	261
		58	69	10	11	22	35	30	20	6	6
		97	108	13	14	29	32	19	20	211	210
		(1,374)	(1,484)	(135)	(143)	(399)	(408)	(272)	(245)	(244)	(237)
		(34)	(57)	(31)	(51)	(30)	(52)	(32)	(56)	(15)	(23)
		Net cash inflow/(outflow) from operating activities									
	12(a)	7,650	3,158	289	138	1,166	566	2,193	792	589	217
Cash flows from investing activities											
		44,700	27,317	2,810	5,848	4,292	8,946	3,812	4,972	1,794	3,216
		(22,403)	(26,200)	(1,832)	(4,861)	(2,644)	(9,862)	(2,648)	(4,047)	(1,540)	(2,326)
		Net cash inflow/(outflow) from investing activities									
		22,297	1,117	978	987	1,648	(916)	1,164	925	254	890
Cash flows from financing activities											
		7,646	6,592	1,616	1,905	1,009	586	3,289	4,943	923	1,426
		(21,167)	(18,878)	(2,622)	(3,478)	(3,067)	(3,824)	(5,539)	(5,623)	(1,818)	(1,846)
		(9,305)	(6,859)	(128)	(103)	(463)	(517)	(547)	(621)	-	-
	12(d)	-	-	-	-	-	-	-	-	860	599
	12(d)	-	-	-	-	-	-	-	-	(864)	(660)
		-	-	-	-	-	-	-	-	(151)	(135)
		Net cash inflow/(outflow) from financing activities									
		(22,826)	(19,145)	(1,134)	(1,676)	(2,521)	(3,755)	(2,797)	(1,301)	(1,050)	(616)
Net increase/(decrease) in cash and cash equivalents											
		7,121	(14,870)	133	(551)	293	(4,105)	560	416	(207)	491
		1,134	16,004	707	1,258	950	5,055	2,218	1,802	576	85
		Cash and cash equivalents at the end of the year									
	12(b)	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576

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 and are for-profit entities.

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 18 September 2019. 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 annual financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

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.

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. These estimates and associated assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

For the majority of the Schemes' financial instruments, quoted market prices are readily available. However, when certain financial instruments are fairly valued using valuation techniques (for example, pricing models), observable data is used to the extent practicable. Management may be required to make estimates which may be based on assumptions and any changes in assumptions would affect the reported fair value of financial instruments.

The adoption of AASB 9 introduced a new expected credit loss (ECL) impairment model, which has not materially impacted the Schemes (refer to note 2(f)).

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations

New and amended accounting standards adopted by the Schemes

The following Australian Accounting Standards have been adopted by the Schemes for the reporting period beginning 1 July 2018:

(i) AASB 9 *Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It replaces the multiple classification and measurement models in AASB 139 with a new model that classifies financial instruments based on the business model within which the financial instruments are managed, and whether the contractual cash flows under the instrument solely represent the payment of principal and interest. It also introduces revised rules around hedge accounting and impairment.

Under AASB 9, financial instruments are classified as:

- Amortised cost if the objective of the business model is to hold the financial instruments to collect contractual cash flows only and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI);
- Fair value through other comprehensive income if the objective of the business model is to hold the financial instruments both to collect contractual cash flows from SPPI and for the purpose of sale; or
- All other financial instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

AASB 9 has been applied retrospectively (without restating comparatives) by the Schemes from 1 July 2018 and it did not result in a change to the measurement of financial instruments. The Schemes' investment portfolio continues to be measured at fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The derecognition rules have not been changed from previous requirements and the Schemes do not apply hedge accounting. As the Schemes' investments are all at fair value through profit or loss, the change in impairment rules will not have a material impact on the Schemes. The Schemes' cash and cash equivalents and receivables which had previously been classified as loans and receivables and measured at amortised cost under AASB 139 are now classified as amortised cost and continue to be measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material. The change in present value of the expected cash flows on non-substantial modifications of the borrowing facility does not have a material impact in the statements of comprehensive income.

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

New and amended accounting standards adopted by the Schemes (continued)

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a single revenue recognition framework using a five-step model based on the transfer of goods and services and the consideration expected to be received in return for that transfer.

The Schemes' main source of income is investment income, in the form of gains on financial instruments at fair value as well as interest, dividend and distribution income. All these income types are outside the scope of the standard. Accordingly, the adoption of new revenue recognition rules did not have a material impact on the Schemes' accounting policies or the amounts recognised in the financial statements.

AASB 15 has been applied retrospectively (without restating comparatives) by the Schemes from 1 July 2018 and it did not result in a material change in revenue recognition for the Schemes.

New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 January 2019. Management has made an assessment and concluded that none of these are expected to have a material impact on the financial statements.

(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' portfolio of financial assets 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 measured 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 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 measured at fair value through profit or loss.

The Schemes hold financial assets comprising equity securities, debt securities and unlisted unit trusts which had previously been designated at fair value through profit or loss under AASB 139 prior to 1 July 2018. On adoption of AASB 9 from 1 July 2018, these securities continued to be measured at fair value but are now mandatorily classified as fair value through profit or loss.

Derivative contracts that have negative fair 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 included 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 16(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 reporting 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 instrument entitles the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;
- 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 instrument over the life are based substantially on the profit or loss.

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders (continued)

The Scheme 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, margin accounts, deposits held at call, 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 operating 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 operating expenses in profit or loss.

(g) Payables

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

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

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 payment is established.

2 Summary of significant accounting policies (continued)

(i) Expenses

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

Interest expense is recognised in profit or loss as it accrues, using the applicable interest rates on borrowings.

(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 either by way of cash or reinvestment. 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 attributable to unitholders.

(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; 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		Geared Australian Share Fund¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(30,087)	44,369	17,379	(7,895)	94,025	71,696	29,246	20,208	(411,318)	187,952
Net realised gains/(losses) on financial instruments at fair value through profit or loss	40,995	60,615	(120)	4,690	66,909	149,263	40,035	24,062	182,105	223,690
Net gains/(losses) on financial instruments at fair value through profit or loss	10,908	104,984	17,259	(3,205)	160,934	220,959	69,281	44,270	(229,213)	411,642
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(3,152)	4,152	1	10	142	461	282	1,616	(184)	(390)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	7,609	3,378	232	270	767	676	803	566	464	1,047
Net gains/(losses) on financial instruments at fair value through profit or loss	4,457	7,530	233	280	909	1,137	1,085	2,182	280	657

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

4 Other operating expenses

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Transaction costs	1,724	1,536	-	-	682	820	482	446	-	-
Performance fees	-	-	-	-	1,468	1,058	-	-	-	-
Sundry expenses	292	316	97	109	488	605	198	183	13,773	22,068
Total	2,016	1,852	97	109	2,638	2,483	680	629	13,773	22,068

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sundry expenses	40	49	36	44	36	44	39	48	14	22
Total	40	49	36	44	36	44	39	48	14	22

Sundry expenses include audit fees, custody fees, printing fees and other expenses incurred by the Schemes.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund - Class R				Fixed Income Fund - Class R			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2018	2018	2019	2019	2018	2018
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	5,076	0.80	4,698	0.75	-	-	92	0.25
Distributions paid - December	9,915	1.56	7,658	1.21	91	0.27	172	0.49
Distributions paid - March	7,041	1.11	3,814	0.61	108	0.32	79	0.23
Distributions payable - June	41,662	6.70	42,737	6.85	584	1.75	182	0.52
	63,694		58,907		783		525	
	Australian Share Fund - Class I				Fixed Income Fund - Class I			
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2019	2019	2018	2018	2019	2019	2018	2018	2018
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	CPU
Distributions paid - September	1,102	0.70	1,122	0.75	-	-	3,703	0.47
Distributions paid - December	2,456	1.53	1,807	1.21	7,815	0.82	6,807	0.81
Distributions paid - March	1,791	1.09	1,160	0.79	6,261	0.65	4,848	0.55
Distributions payable - June	9,170	5.61	8,824	5.81	21,109	2.22	9,668	1.07
	14,519		12,913		35,185		25,026	
Total distributions	78,213		71,820		35,968		25,551	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	International Share Fund - Class R				Real Estate Fund - Class R			
	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid - September	359	0.11	4	-	289	0.12	208	0.08
Distributions paid - December	674	0.20	14	-	-	-	938	0.36
Distributions paid - March	145	0.05	54	0.02	342	0.16	952	0.37
Distributions payable - June	11,377	3.70	31,700	9.54	254	0.12	165	0.07
	12,555		31,772		885		2,263	
	International Share Fund - Class I				Real Estate Fund - Class I			
	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid - September	3,152	0.43	1,766	0.26	1,434	0.57	1,195	0.46
Distributions paid - December	5,061	0.67	2,800	0.41	-	-	2,833	1.13
Distributions paid - March	3,533	0.46	3,095	0.44	3,349	1.34	2,854	1.13
Distributions payable - June	46,742	6.07	90,468	12.79	2,453	1.00	1,985	0.78
	58,488		98,129		7,236		8,867	
Total distributions	71,043		129,901		8,121		11,130	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Geared Australian Share Fund ¹				Balanced Fund			
	30 June 2019 \$	30 June 2019 CPU	30 June 2018 \$	30 June 2018 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid - September	-	-	-	-	474	0.30	335	0.21
Distributions paid - December	-	-	-	-	725	0.49	749	0.48
Distributions paid - March	-	-	-	-	522	0.36	395	0.25
Distributions payable - June	556,866	8.71	606,704	9.77	11,141	7.72	8,797	5.69
Total distributions	556,866		606,704		12,862		10,276	

	Conservative Fund				Diversified Fund			
	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid - September	17	0.17	20	0.18	79	0.24	52	0.15
Distributions paid - December	42	0.42	31	0.29	107	0.33	112	0.33
Distributions paid - March	24	0.25	10	0.09	85	0.26	46	0.14
Distributions payable - June	382	3.93	114	1.09	1,451	4.58	360	1.08
Total distributions	465		175		1,722		570	

	Growth Fund				Geared High Growth Fund			
	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid - September	80	0.24	73	0.22	-	-	-	-
Distributions paid - December	145	0.43	112	0.34	-	-	-	-
Distributions paid - March	92	0.29	37	0.11	-	-	-	-
Distributions payable - June	489	1.54	415	1.25	866	9.79	293	3.06
Total distributions	806		637		866		293	

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders

The Schemes offering multiple unit classes classify the net assets attributable to unitholders as financial liability as the puttable financial instruments do not satisfy all the criteria set out under AASB 132 (refer to note 2(d)).

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 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000
Net assets attributable to unitholders - liability								
Opening balance	776,071	775,778	1,277,942	1,218,056	935,784	797,340	954,110	818,549
Applications	39,822	41,245	53,081	59,030	159,824	221,880	164,999	229,263
Redemptions	(67,627)	(55,889)	(107,939)	(87,075)	(112,279)	(83,639)	(116,318)	(86,220)
Units issued upon reinvestment of distributions	37,351	14,937	64,013	25,471	136	203	138	208
Changes in net assets attributable to unitholders	-	-	(38,049)	62,460	-	-	17,250	(7,690)
Closing balance	785,617	776,071	1,249,048	1,277,942	983,465	935,784	1,020,179	954,110
	International Share Fund				Real Estate Fund			
	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000
Net assets attributable to unitholders - liability								
Opening balance	1,039,629	999,063	1,460,425	1,292,684	507,610	493,373	647,393	577,720
Applications	114,804	132,859	172,636	196,994	31,474	62,274	48,667	82,293
Redemptions	(102,574)	(96,535)	(143,109)	(135,958)	(87,506)	(51,521)	(112,414)	(68,687)
Units issued upon reinvestment of distributions	25,060	4,242	30,620	4,811	774	3,484	769	3,091
Changes in net assets attributable to unitholders	-	-	96,818	101,894	-	-	78,590	52,976
Closing balance	1,076,919	1,039,629	1,617,390	1,460,425	452,352	507,610	663,005	647,393

As stipulated within the Schemes' Constitutions, each unit in a unit class represents a right to a unit in the relevant class within the Schemes and does not extend to a right to the underlying assets of the Schemes. There are two classes of units in the Schemes - Class R is offered through the Perpetual Select Investment Funds Product Disclosure Statement and Class I is offered through the Implemented Portfolios Product Disclosure Statement.

6 Net assets attributable to unitholders (continued)

The Schemes offering a single unit class classify the net assets attributable to unitholders as equity from 1 July 2017 as the puttable financial instruments satisfy all the criteria set out under AASB 132 (refer to note 2(d)).

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

	Geared Australian Share Fund ¹				Balanced Fund			
	30 June 2019 Units	30 June 2018 Units	30 June 2019 \$	30 June 2018 \$	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000
Net assets attributable to unitholders - equity								
Opening balance	6,207,844	6,817,786	3,649,188	3,976,365	154,524	163,716	192,281	198,918
Applications	1,416,671	1,305,551	775,128	832,545	6,096	5,152	7,643	6,439
Redemptions	(2,263,894)	(2,427,976)	(1,271,874)	(1,534,700)	(17,229)	(15,144)	(21,227)	(18,855)
Units issued upon reinvestment of distributions	1,032,098	512,483	606,704	298,897	977	800	1,213	978
Distributions to unitholders	-	-	(556,866)	(606,704)	-	-	(12,862)	(10,276)
Profit/(loss)	-	-	42,416	682,785	-	-	10,160	15,077
Closing balance	6,392,719	6,207,844	3,244,696	3,649,188	144,368	154,524	177,208	192,281

	Conservative Fund				Diversified Fund			
	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000
Net assets attributable to unitholders - equity								
Opening balance	10,499	11,760	12,661	13,779	33,206	35,746	40,627	41,937
Applications	1,284	1,644	1,542	1,974	824	485	1,009	582
Redemptions	(2,111)	(2,963)	(2,559)	(3,541)	(2,481)	(3,203)	(3,052)	(3,839)
Units issued upon reinvestment of distributions	57	58	69	69	138	178	168	211
Distributions to unitholders	-	-	(465)	(175)	-	-	(1,722)	(570)
Profit/(loss)	-	-	509	555	-	-	1,994	2,306
Closing balance	9,729	10,499	11,757	12,661	31,687	33,206	39,024	40,627

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders (continued)

The Schemes offering a single unit class classify the net assets attributable to unitholders as equity from 1 July 2017 as the puttable financial instruments satisfy all the criteria set out under AASB 132 (refer to note 2(d)).

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

	Growth Fund		Geared High Growth Fund					
	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 Units '000	30 June 2018 Units '000	30 June 2019 \$'000	30 June 2018 \$'000
Net assets attributable to unitholders - equity								
Opening balance	33,259	33,612	48,832	45,636	9,564	9,655	8,025	7,311
Applications	2,228	3,422	3,283	4,935	1,100	1,731	928	1,424
Redemptions	(3,742)	(3,966)	(5,509)	(5,653)	(2,165)	(2,274)	(1,816)	(1,847)
Units issued upon reinvestment of distributions	127	191	185	261	349	452	293	342
Distributions to unitholders	-	-	(806)	(637)	-	-	(866)	(293)
Profit/(loss)	-	-	2,650	4,290	-	-	530	1,088
Closing balance	31,872	33,259	48,635	48,832	8,848	9,564	7,094	8,025

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes.

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital. 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		Geared Australian Share Fund¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Mandatorily at fair value through profit or loss										
(2018: Held for trading)										
Futures	25	46	-	-	-	-	-	-	-	-
Foreign exchange forward contracts	18	103	-	-	-	-	-	-	-	-
Mandatorily at fair value through profit or loss										
(2018: Designated at fair value through profit or loss)										
Equities	1,159,729	1,189,262	-	-	1,524,685	1,367,108	627,687	595,750	-	-
Debt securities	23,866	38,243	-	-	-	-	-	-	-	-
Unlisted unit trusts	27,580	25,926	990,749	927,666	-	47,484	6,324	7,218	6,945,930	8,047,609
Total financial assets at fair value through profit or loss	1,211,218	1,253,580	990,749	927,666	1,524,685	1,414,592	634,011	602,968	6,945,930	8,047,609
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mandatorily at fair value through profit or loss										
(2018: Designated at fair value through profit or loss)										
Unlisted unit trusts	176,276	194,616	11,101	11,846	38,450	39,189	45,295	45,574	11,222	11,196
Total financial assets at fair value through profit or loss	176,276	194,616	11,101	11,846	38,450	39,189	45,295	45,574	11,222	11,196

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

8 Financial liabilities at fair value through profit or loss

	Australian Share Fund	
	30 June 2019 \$'000	30 June 2018 \$'000
Mandatorily at fair value through profit or loss (2018: Held for trading)		
Options	9,082	3,596
Foreign exchange forward contracts	40	11
Total financial liabilities at fair value through profit or loss	9,122	3,607

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Dividends/distributions receivable	4,824	10,352	22,370	7,162	1,505	11,095	6,107	6,369	274,050	314,967
Interest receivable	26	23	1	1	2	3	1	1	11	4
Applications receivable	313	830	465	2,646	617	2,607	133	687	22,646	17,288
Other receivables	636	630	69	61	1,718	1,453	221	191	15,128	17,858
Total receivables	5,799	11,835	22,905	9,870	3,842	15,158	6,462	7,248	311,835	350,117

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Dividends/distributions receivable	3,927	5,861	226	231	796	868	1,070	1,688	266	453
Interest receivable	-	-	-	-	-	-	-	-	-	-
Applications receivable	68	71	8	82	35	35	27	33	35	30
Other receivables	35	35	3	4	12	11	9	8	19	21
Total receivables	4,030	5,967	237	317	843	914	1,106	1,729	320	504

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Responsible Entity's fees payable	2,110	2,157	229	208	1,726	1,705	657	661	13,585	14,909
Performance fees payable	-	-	-	-	2,801	1,332	-	-	-	-
Other fees payable	154	82	38	24	196	91	92	57	10,562	11,895
Redemptions payable	4,295	3,670	4,061	696	4,877	702	1,846	699	7,891	7,797
Other payable	-	8	-	-	-	1	-	-	-	-
Total payables	6,559	5,917	4,328	928	9,600	3,831	2,595	1,417	32,038	34,601

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	121	117	12	13	34	32	24	22	20	20
Other fees payable	31	22	27	19	27	19	31	22	11	12
Redemptions payable	60	-	-	63	-	15	-	30	11	13
Total payables	212	139	39	95	61	66	55	74	42	45

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

11 Borrowings

	Geared Australian Share Fund ¹		Geared High Growth Fund	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Bank loans	3,756,537	4,200,346	3,908	3,912
Interest payable	897	877	1	1
	3,757,434	4,201,223	3,909	3,913

The carrying amount of the bank loans represents amount drawn under a cash advance facility, which approximates the fair value. This arrangement is available for Geared Australian Share Fund and Geared High Growth Fund for the purpose of gearing of the investments of the Schemes.

Geared Australian Share Fund

The cash advance facility is limited to \$5 million (2018: \$5 million), however gearing is not allowed to exceed 60% of the Scheme's assets. The interest rate applicable to the cash advance facility is 2.90% at 30 June 2019 (2018: 3.81%).

Geared High Growth Fund

The cash advance facility is limited to \$5 million (2018: \$5 million), however gearing is not allowed to exceed 50% of the Scheme's assets. The interest rate applicable to the cash advance facility is 3.05% at 30 June 2019 (2018: 3.96%).

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

12 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		Geared Australian Share Fund ¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'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)	40,164	134,280	53,218	17,861	167,864	231,796	86,723	64,116	188,554	833,795
(Increase)/decrease in dividends/distributions receivable	5,528	250	(15,208)	(600)	9,590	(6,090)	262	(935)	40,917	(238,489)
(Increase)/decrease in interest receivable	(3)	26	-	4	1	(1)	-	1	(7)	1
(Increase)/decrease in other receivables	(6)	(19)	(8)	(4)	(265)	(183)	(30)	(8)	2,730	281
Increase/(decrease) in payables	25	98	35	11	1,595	(569)	31	38	(2,657)	(110)
Net (gains)/losses on financial instruments at fair value through profit or loss	(10,908)	(104,984)	(17,259)	3,205	(160,934)	(220,959)	(69,281)	(44,270)	229,213	(411,642)
Net foreign exchange (gains)/losses	19	23	-	-	(3,572)	(1,027)	(305)	203	-	-
Net cash inflow/(outflow) from operating activities	34,819	29,674	20,778	20,477	14,279	2,967	17,400	19,145	458,750	183,836
(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	95,957	61,210	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990
Deposits at call	6,141	53	-	-	-	-	-	-	-	-
Margin accounts	43	72	-	-	-	-	-	-	-	-
Total cash and cash equivalents	102,141	61,335	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	64,013	25,471	138	208	30,620	4,811	769	3,091	606,704	298,897
(d) Reconciliation of liabilities arising from financing activities										
Bank loans at the beginning of the year	-	-	-	-	-	-	-	-	4,200,346	4,263,278
Cash flows	-	-	-	-	-	-	-	-	(443,809)	(62,932)
Bank loans at the end of the year	-	-	-	-	-	-	-	-	3,756,537	4,200,346

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'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)	10,160	15,077	509	555	1,994	2,306	2,650	4,290	681	1,224
(Increase)/decrease in dividends/distributions receivable	1,934	(4,370)	5	(134)	72	(595)	618	(1,313)	187	(350)
(Increase)/decrease in interest receivable	-	1	-	-	-	-	-	-	-	-
(Increase)/decrease in other receivables	-	5	1	1	(1)	2	(1)	-	2	-
Increase/(decrease) in payables	13	(25)	7	(4)	10	(10)	11	(3)	(1)	-
Net (gains)/losses on financial instruments at fair value through profit or loss	(4,457)	(7,530)	(233)	(280)	(909)	(1,137)	(1,085)	(2,182)	(280)	(657)
Net cash inflow/(outflow) from operating activities	7,650	3,158	289	138	1,166	566	2,193	792	589	217
(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	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576
Total cash and cash equivalents	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	1,213	978	69	69	168	211	185	261	293	342
(d) Reconciliation of liabilities arising from financing activities										
Bank overdraft at the beginning of the year	-	-	-	-	-	-	-	-	3,912	3,973
Cash flows	-	-	-	-	-	-	-	-	(4)	(61)
Bank overdraft at the end of the year	-	-	-	-	-	-	-	-	3,908	3,912

13 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG: Audit and review of financial report and compliance plan	18,857	18,216	11,516	11,128	18,857	18,216	18,857	18,216	10,924	10,553

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG: Audit and review of financial report and compliance plan	13,966	13,504	10,924	10,553	10,924	10,553	13,966	13,504	10,924	10,553

Audit fees were paid or payable by the Schemes.

14 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:

D Lane (appointed 20 April 2017)
C Green (appointed 17 October 2018)
R Adams (appointed 17 October 2018)
G Larkins (appointed 7 January 2013, resigned 12 October 2018)
M Smith (appointed 3 November 2016, resigned 17 October 2018)
G Foster (appointed 25 January 2013, resigned 12 October 2018, Alternate for G Larkins)

(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.

There were no material balances involving key management personnel's interest in the Schemes at the reporting date.

14 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 were 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 values of the relevant unit classes of the Schemes offering multiple unit 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 offering multiple unit classes	Responsible Entity's fees - Class R		Responsible Entity's fees - Class I
	Base Fee	Investment Management Fee	
Australian Share Fund	1.49%	0.54%	0.87%
Fixed Income Fund	1.49%	0.25%	0.44%
International Share Fund	1.49%	0.56%	0.90%
Real Estate Fund	1.49%	0.51%	0.67%

Schemes offering a single unit class	Responsible Entity's fees	
	Base Fee	Investment Management Fee
Geared Australian Share Fund	2.98%	1.08%
Balanced Fund	1.49%	0.39%
Conservative Fund	1.49%	0.26%
Diversified Fund	1.49%	0.33%
Growth Fund	1.49%	0.42%
Geared High Growth Fund	2.24%	0.71%

14 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

The transactions during the year and amounts payable/receivable 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		Geared Australian Share Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable	23,559,087	23,759,198	2,515,483	2,374,242	18,733,263	17,960,599	7,365,291	7,100,496	155,381	173,185
Responsible Entity's rebates received and receivable	-	-	-	-	-	-	-	-	155,592	173,400
Fees payable to the Responsible Entity	2,110,463	2,157,162	229,481	207,698	1,725,682	1,705,496	657,128	660,953	13,585	14,909
Rebates receivable from the Responsible Entity	-	-	-	-	-	-	-	-	12,675	13,910
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable	1,284,091	1,363,767	125,410	132,516	373,090	375,774	255,728	230,194	226,636	220,886
Responsible Entity's rebates received and receivable	-	-	-	-	-	-	-	-	191,631	193,102
Fees payable to the Responsible Entity	121,213	116,799	11,575	12,516	33,721	32,159	24,355	21,933	19,979	19,749
Rebates receivable from the Responsible Entity	-	-	-	-	-	-	-	-	15,801	16,069

14 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:

Australian Share Fund	Number of units held 30 June 2019 '000	Interest held 30 June 2019 %	Number of units acquired 30 June 2019 '000	Number of units disposed 30 June 2019 '000	Distributions paid/payable 30 June 2019 \$'000	Number of units held 30 June 2018 '000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions paid/payable 30 June 2018 \$'000
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	257,733	35.0	17,476	17,190	26,361	257,447	35.2	16,317	1,097	24,129
Perpetual Charitable Endowment Fund	70,603	9.6	7,488	1,160	7,176	64,275	8.8	3,895	-	6,036
Perpetual Private Balanced Fund	24,445	3.3	1,598	3,901	2,544	26,748	3.7	660	2,006	2,528
Perpetual Private Conservative Fund	857	0.1	117	160	90	900	0.1	23	101	86
Perpetual Private Diversified Fund	3,691	0.5	226	341	374	3,806	0.5	97	344	364
Perpetual Private Geared Australian Share Fund	4,093	0.6	908	1,415	426	4,600	0.6	767	1,173	442
Perpetual Private Geared High Growth Fund	2,274	0.3	397	412	233	2,289	0.3	232	1,260	223
Perpetual Private Growth Fund	8,085	1.1	493	533	829	8,125	1.1	199	470	767
Australian Eligible Rollover Fund	54,693	7.4	4,117	5,670	5,521	56,246	7.7	2,359	11,735	5,382
Perpetual's Select Superannuation Fund	186,757	25.3	14,591	18,214	19,219	190,380	26.0	7,116	17,930	18,060
Unitholders - Class I										
Perpetual Super Wrap	65,550	40.1	9,494	8,335	5,895	64,391	42.4	12,532	7,847	5,471

14 Related party transactions (continued)

Related party unitholdings (continued)

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 30 June 2019 '000	Interest held 30 June 2019 %	Number of units acquired 30 June 2019 '000	Number of units disposed 30 June 2019 '000	Distributions paid/payable 30 June 2019 \$'000	Number of units held 30 June 2018 '000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions paid/payable 30 June 2018 \$'000
Fixed Income Fund										
Unitholders - Class R										
Perpetual Super Wrap	441	-	18	-	10	423	-	10	-	6
Perpetual's Select Superannuation Fund	9,235	0.9	2,198	4,119	220	11,156	1.2	1,585	3,257	170
Unitholders - Class I										
Perpetual Super Wrap	252,345	26.6	34,981	26,877	9,345	244,241	27.1	43,051	14,694	6,832
International Share Fund										
Unitholders - Class R										
Perpetual Private Balanced Fund	32,509	2.6	3,067	8,473	1,333	37,915	3.2	513	2,879	3,627
Perpetual Private Conservative Fund	1,126	0.1	188	311	46	1,249	0.1	21	386	119
Perpetual Private Diversified Fund	4,638	0.4	405	765	190	4,998	0.4	74	873	478
Perpetual Private Geared High Growth Fund	2,973	0.2	419	533	122	3,087	0.3	192	776	295
Perpetual Private Growth Fund	10,609	0.8	919	1,632	435	11,322	0.9	159	1,319	1,083
Perpetual Super Wrap	165	-	8	-	7	157	-	-	9	15
Perpetual's Select Superannuation Fund	232,263	18.6	23,832	40,337	9,493	248,768	20.7	7,705	26,859	23,798
Unitholders - Class I										
Perpetual Super Wrap	200,207	26.0	21,286	15,457	15,237	194,378	27.5	27,784	19,819	27,001

14 Related party transactions (continued)

Related party unitholdings (continued)

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:

Real Estate Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	69,952	11.2	268	12,599	298	82,283	12.0	6,702	-	718
Perpetual Charitable Endowment Fund	18,009	2.9	75	6,169	81	24,103	3.5	7,588	2,631	228
Perpetual Private Balanced Fund	12,920	2.1	2,083	6,508	56	17,345	2.5	248	207	153
Perpetual Private Conservative Fund	367	0.1	2	188	2	553	0.1	9	244	6
Perpetual Private Diversified Fund	2,681	0.4	11	901	12	3,571	0.5	51	62	32
Perpetual Private Geared High Growth Fund	1,263	0.2	65	238	5	1,436	0.2	1,436	-	11
Perpetual Private Growth Fund	3,249	0.5	12	511	14	3,748	0.5	54	40	33
Perpetual Super Wrap	73	-	-	16	-	89	-	-	-	1
Perpetual's Select Superannuation Fund	90,211	14.5	2,432	23,397	379	111,176	16.3	6,465	10,387	991
Unitholders - Class I										
Perpetual Super Wrap	65,103	26.6	5,866	11,495	1,941	70,732	27.9	10,505	12,040	2,520
Geared Australian Share Fund¹										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
		%			\$		%			\$
Unitholders										
Perpetual's Select Superannuation Fund	6,163,392	96.4	2,085,745	1,933,637	536,889	6,011,284	96.8	1,453,830	2,078,081	587,493
Perpetual Investment Management Limited	-	-	330,261	(330,261)	-	-	-	323,768	(323,768)	-

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Related party unitholdings (continued)

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
	30 June 2019 '000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000	30 June 2018 '000	30 June 2018 %	30 June 2018 '000	30 June 2018 '000	30 June 2018 \$'000
Balanced Fund										
Unitholders										
Perpetual Super Wrap	3,547	2.5	155	231	317	3,623	2.3	572	223	238
Conservative Fund										
Unitholders										
Perpetual Super Wrap	3,228	33.2	101	40	154	3,167	30.2	317	549	55
Diversified Fund										
Unitholders										
Perpetual Super Wrap	602	1.9	3	6	33	605	1.8	83	299	12

14 Related party transactions (continued)

Related party unitholdings (continued)

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	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Growth Fund										
Unitholders										
Perpetual Super Wrap	602	1.9	87	44	15	559	1.7	114	120	11

	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Gearred High Growth Fund										
Unitholders										
Perpetual's Select Superannuation Fund	8,465	95.7	1,110	1,819	828	9,174	95.9	1,681	1,915	281
Perpetual Investment Management Limited	-	-	306,177	(306,177)	-	-	-	315,457	(315,457)	-

14 Related party transactions (continued)

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 2019 '000	Fair value of investments 30 June 2019 \$'000	Interest held 30 June 2019 %	Number of units acquired 30 June 2019 '000	Number of units disposed 30 June 2019 '000	Distributions received/ receivable 30 June 2019 \$'000	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/ receivable 30 June 2018 \$'000
Australian Share Fund												
Investment												
Perpetual Pure Microcap Fund	19,948	27,580	16.9	2,477	-	1,249	17,471	25,926	14.3	2,702	-	3,376
Fixed Income Fund												
Investments												
Perpetual Credit Income Fund	-	-	-	-	-	-	-	-	-	7,105	344,756	4,078
Perpetual Institutional Cash Management Trust	33,294	33,294	2.4	25,294	-	431	8,000	8,000	0.6	8,000	-	18
Perpetual Private Credit Pooled Fund	479,047	478,693	66.6	16,906	-	13,606	462,141	456,961	65.6	462,141	-	11,202
Perpetual Private Duration Fixed Income Fund	471,478	478,762	66.7	15,706	11,528	23,996	467,300	462,705	66.4	126,624	-	6,778

14 Related party transactions (continued)

Investments (continued)

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 2019 '000	Fair value of investments 30 June 2019 \$'000	Interest held 30 June 2019 %	Number of units acquired 30 June 2019 '000	Number of units disposed 30 June 2019 '000	Distributions received/ receivable 30 June 2019 \$'000	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/ receivable 30 June 2018 \$'000
International Share Fund												
Investment												
Perpetual Wholesale Global Share Fund	-	-	-	6,354	36,791	261	30,437	47,484	8.7	2,666	17,377	9,961
Geared Australian Share Fund¹												
Investment												
Perpetual Private Australian Share Fund	4,093,199	6,945,930	0.6	908,096	1,414,753	426,476	4,599,856	8,047,609	0.6	767,295	1,173,903	442,412

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Balanced Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Credit Income Fund	-	-	-	-	-	-	-	-	-	218	10,585	125
Perpetual Defensive Alternatives Pool Fund	10,035	9,090	2.2	422	1,668	379	11,281	10,183	2.6	414	552	371
Perpetual Growth Alternatives Pool Fund	13,362	17,855	2.7	596	1,834	792	14,600	19,528	3.0	704	2,203	939
Perpetual Institutional Cash Management Trust	6,978	6,978	0.5	7,125	10,043	106	9,896	9,896	0.7	200	1,046	199
Perpetual Private Australian Share Fund	24,445	41,482	3.3	1,598	3,901	2,544	26,748	46,797	3.7	660	2,006	2,528
Perpetual Private Credit Pooled Fund	22,299	22,283	3.1	4,582	4,238	642	21,955	21,709	3.1	21,955	-	548
Perpetual Private Duration Fixed Income Fund	22,046	22,386	3.1	506	2,365	1,117	23,905	23,670	3.4	1,031	4,458	402
Perpetual Private International Share Fund	32,509	42,401	2.6	3,067	8,473	1,333	37,915	46,369	3.2	513	2,879	3,627
Perpetual Private Real Estate Fund	12,920	13,801	2.1	2,083	6,508	56	17,345	16,464	2.5	248	207	153

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units	units
Conservative Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018	
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000	
Investments													
Perpetual Credit Income Fund	-	-	-	-	-	-	-	-	-	-	34	1,656	20
Perpetual Defensive Alternatives Pool Fund	1,057	957	0.2	121	133	39	1,069	965	0.3	594	333	36	
Perpetual Growth Alternatives Pool Fund	437	585	0.1	20	37	26	454	608	0.1	22	184	29	
Perpetual Institutional Cash Management Trust	989	989	0.1	1,147	998	17	840	840	0.1	30	1,256	25	
Perpetual Private Australian Share Fund	857	1,454	0.1	117	160	90	900	1,575	0.1	23	101	86	
Perpetual Private Credit Pooled Fund	2,635	2,634	0.4	70	372	76	2,937	2,904	0.4	3,037	100	73	
Perpetual Private Duration Fixed Income Fund	2,581	2,621	0.4	60	410	131	2,931	2,902	0.4	1,116	1,320	47	
Perpetual Private International Share Fund	1,126	1,469	0.1	188	311	46	1,249	1,527	0.1	21	386	119	
Perpetual Private Real Estate Fund	367	392	0.1	2	188	2	553	525	0.1	9	244	6	

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Diversified Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Credit Income Fund	-	-	-	-	-	-	-	-	-	45	2,181	26
Perpetual Defensive Alternatives Pool Fund	2,223	2,013	0.5	90	222	81	2,355	2,126	0.6	88	166	79
Perpetual Growth Alternatives Pool Fund	2,936	3,924	0.6	131	368	174	3,173	4,245	0.7	153	366	204
Perpetual Institutional Cash Management Trust	1,512	1,512	0.1	1,115	52	18	449	449	-	54	4,055	35
Perpetual Private Australian Share Fund	3,691	6,263	0.5	226	341	374	3,806	6,659	0.5	97	344	364
Perpetual Private Credit Pooled Fund	7,891	7,885	1.1	203	403	226	8,091	8,000	1.1	8,091	-	201
Perpetual Private Duration Fixed Income Fund	7,819	7,940	1.1	179	650	397	8,290	8,208	1.2	1,064	196	135
Perpetual Private International Share Fund	4,638	6,049	0.4	405	765	190	4,998	6,112	0.4	74	873	478
Perpetual Private Real Estate Fund	2,681	2,864	0.4	11	901	12	3,571	3,390	0.5	51	62	32

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Growth Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Credit Income Fund	-	-	-	-	-	-	-	-	-	33	1,604	19
Perpetual Defensive Alternatives Pool Fund	1,545	1,399	0.3	60	-	54	1,485	1,340	0.3	55	-	49
Perpetual Growth Alternatives Pool Fund	4,229	5,651	0.8	189	147	251	4,187	5,600	0.9	789	186	269
Perpetual Institutional Cash Management Trust	2,025	2,025	0.1	42	9	41	1,992	1,992	0.1	45	509	43
Perpetual Private Australian Share Fund	8,085	13,719	1.1	493	533	829	8,125	14,215	1.1	199	470	767
Perpetual Private Credit Pooled Fund	2,488	2,486	0.3	62	-	71	2,426	2,398	0.3	2,426	-	59
Perpetual Private Duration Fixed Income Fund	2,665	2,706	0.4	60	46	135	2,651	2,625	0.4	54	45	44
Perpetual Private International Share Fund	10,609	13,838	0.8	919	1,632	435	11,322	13,847	0.9	159	1,319	1,083
Perpetual Private Real Estate Fund	3,249	3,471	0.5	12	511	14	3,748	3,557	0.5	54	40	33

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Geared High Growth Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Growth Alternatives Pool Fund	1,233	1,648	0.2	55	74	74	1,252	1,674	0.3	61	72	80
Perpetual Institutional Cash Management Trust	487	487	-	208	100	10	379	379	-	302	-	2
Perpetual Private Australian Share Fund	2,275	3,860	0.3	397	412	233	2,289	4,005	0.3	232	1,260	223
Perpetual Private International Share Fund	2,973	3,878	0.2	419	533	122	3,087	3,775	0.3	192	776	295
Perpetual Private Real Estate Fund	1,263	1,349	0.2	65	238	5	1,436	1,363	0.2	1,436	-	11

15 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor 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 invest in 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.

There are no significant restrictions on the ability of the structured entities to transfer funds to the Schemes in the form of cash distributions.

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 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	%	%
Perpetual Private Credit Pooled Fund	478,693	456,961	66.6	65.6
Perpetual Private Duration Fixed Income Fund	478,762	462,705	66.7	66.4

The above subsidiaries are domiciled in Australia.

16 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 securities investments 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. Assets 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's investments are predominantly 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.

Real Estate Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme's investment strategy allows it to hold derivatives. 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.

16 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The following table summarises the Schemes' exposures to currency risk:

	International Share Fund		Real Estate Fund	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
United States Dollar	1,191,519	1,026,361	198,472	175,185
British Pound	76,695	73,389	22,207	22,506
Euro	167,776	152,351	24,026	27,566
Hong Kong Dollar	63,257	61,276	34,638	35,810
Japanese Yen	45,969	58,967	21,569	25,389
Other currencies	116,740	85,585	20,192	9,535
Total foreign currency exposure	1,661,956	1,457,929	321,104	295,991

The table presented in note 16(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.

The Schemes' exposure to interest rate risk predominantly arises from cash and cash equivalents and units in cash management trusts, which earn/charge a floating rate of interest.

The Geared Australian Share Fund and Geared High Growth Fund also have interest rate risk exposures from their borrowings which charge a floating rate of interest.

16 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		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Financial assets										
Cash and cash equivalents	102,141	61,335	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990
Cash management trusts	-	-	33,294	8,000	-	-	-	-	-	-
Debt securities	23,866	38,243	-	-	-	-	-	-	-	-
Financial liabilities										
Bank loans	-	-	-	-	-	-	-	-	(3,756,537)	(4,200,346)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Cash and cash equivalents	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576
Cash management trusts	6,978	9,896	989	840	1,512	449	2,025	1,992	487	379
Financial liabilities										
Bank loans	-	-	-	-	-	-	-	-	(3,908)	(3,912)

The table presented in note 16(a)(iv) summarises sensitivity analysis to interest rate risk. This analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 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 16(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		Geared Australian Share Fund¹	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Derivatives*	(9,057)	(3,550)	-	-	-	-	-	-	-	-
Equities*	1,159,729	1,189,262	-	-	1,524,685	1,367,108	627,687	595,750	-	-
Units in fixed income trusts	-	-	957,455	919,666	-	-	-	-	-	-
Units in equity and other trusts*	27,580	25,926	-	-	-	47,484	6,324	7,218	6,945,930	8,047,609

*Equities and equity related securities

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Units in fixed income trusts	44,669	45,379	5,255	5,806	15,825	16,208	5,192	5,023	-	-
Units in equity and other trusts	124,629	139,341	4,857	5,200	21,113	22,532	38,078	38,559	10,735	10,817

The table presented in note 16(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 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 unusually 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.

		Impact on operating profit/net assets attributable to unitholders			
		International Share Fund		Real Estate Fund	
Sensitivity rates		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Currency risk	USD				
	+10%	(119,152)	(102,636)	(19,847)	(17,519)
	-10%	119,152	102,636	19,847	17,519
GBP	+8%	(6,136)	(5,871)	(1,777)	(1,801)
	-8%	6,136	5,871	1,777	1,801
EUR	+8%	(13,422)	(12,188)	(1,922)	(2,205)
	-8%	13,422	12,188	1,922	2,205
HKD	+12%	(7,591)	(7,353)	(4,157)	(4,297)
	-12%	7,591	7,353	4,157	4,297
JPY	+10%	(4,597)	(5,897)	(2,157)	(2,539)
	-10%	4,597	5,897	2,157	2,539

16 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		Geared Australian Share Fund ¹	
Sensitivity rates		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
		Interest rate risk									
	+0.5%	603	-	329	-	782	-	139	-	(17,116)	-
	-0.5%	(603)	-	(329)	-	(782)	-	(139)	-	17,116	-
	+1%	-	919	-	354	-	1,071	-	390	-	(41,064)
	-1%	-	(919)	-	(354)	-	(1,071)	-	(390)	-	41,064
Price risk											
	Equities and equity related securities										
	+10%	117,825	121,164	-	-	152,469	-	63,401	-	694,593	804,761
	-10%	(117,825)	(121,164)	-	-	(152,469)	-	(63,401)	-	(694,593)	(804,761)
	+15%	-	-	-	-	-	212,189	-	90,445	-	-
	-15%	-	-	-	-	-	(212,189)	-	(90,445)	-	-
	Units in fixed income trusts										
	+5%	-	-	47,873	45,983	-	-	-	-	-	-
	-5%	-	-	(47,873)	(45,983)	-	-	-	-	-	-

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

	Sensitivity rates	Impact on operating profit/net assets attributable to unitholders									
		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Interest rate risk	+0.5%	76	-	9	-	14	-	24	-	(15)	-
	-0.5%	(76)	-	(9)	-	(14)	-	(24)	-	15	-
	+1%	-	110	-	15	-	14	-	42	-	(30)
	-1%	-	(110)	-	(15)	-	(14)	-	(42)	-	30
Price risk											
Units in fixed income trusts	+5%	2,233	2,269	263	290	791	810	260	251	-	-
	-5%	(2,233)	(2,269)	(263)	(290)	(791)	(810)	(260)	(251)	-	-
Units in equity and other trusts	+10%	12,463	13,934	486	520	2,111	2,253	3,808	3,856	1,074	1,082
	-10%	(12,463)	(13,934)	(486)	(520)	(2,111)	(2,253)	(3,808)	(3,856)	(1,074)	(1,082)

(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 determines credit risk and measures 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 consider 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.

16 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 rating of A or higher (as determined by Standard & Poor's).

(iii) Receivables for securities sold

All transactions in listed 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. There were no significant holdings of equity securities that were not actively traded on a stock exchange at year end.

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. The Responsible Entity has the discretion to reject an application and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Schemes did not reject or withhold any redemptions during the reporting period.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2019			30 June 2018		
	Contractual cash flows		less than 6 months \$'000	Contractual cash flows		less than 6 months \$'000
Australian Share Fund	Carrying amount \$'000	At call \$'000		Carrying amount \$'000	At call \$'000	
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	50,832	-	50,832	51,561	-	51,561
Payables for securities purchased	5,376	-	5,376	3,031	-	3,031
Payables	6,559	-	6,559	5,917	-	5,917
Net assets attributable to unitholders - liability	1,249,048	1,249,048	-	1,277,942	1,277,942	-
Total	1,311,815	1,249,048	62,767	1,338,451	1,277,942	60,509
Derivative financial liabilities						
Options	9,082	-	9,082	3,596	-	3,596
Foreign exchange forward contracts	40	-	-	11	-	-
Outflow	-	-	4,026	-	-	1,386
Inflow	-	-	(3,986)	-	-	(1,375)
Total	9,122	-	9,122	3,607	-	3,607

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed Income Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	21,693	-	21,693	9,850	-	9,850
Payables	4,328	-	4,328	928	-	928
Net assets attributable to unitholders - liability	1,020,179	1,020,179	-	954,110	954,110	-
Total	1,046,200	1,020,179	26,021	964,888	954,110	10,778

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
International Share Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	58,119	-	58,119	122,168	-	122,168
Payables for securities purchased	6,745	-	6,745	1,422	-	1,422
Payables	9,600	-	9,600	3,831	-	3,831
Net assets attributable to unitholders - liability	1,617,390	1,617,390	-	1,460,425	1,460,425	-
Total	1,691,854	1,617,390	74,464	1,587,846	1,460,425	127,421

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Real Estate Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	2,707	-	2,707	2,150	-	2,150
Payables for securities purchased	3,717	-	3,717	643	-	643
Payables	2,595	-	2,595	1,417	-	1,417
Net assets attributable to unitholders - liability	663,005	663,005	-	647,393	647,393	-
Total	672,024	663,005	9,019	651,603	647,393	4,210

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$	\$	\$	\$	\$	\$
Geared Australian Share Fund¹						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	556,866	-	556,866	606,704	-	606,704
Payables	32,038	-	32,038	34,601	-	34,601
Bank loans	3,756,537	-	3,756,537	4,200,346	-	4,200,346
Interest payable	897	-	897	877	-	877
Total	4,346,338	-	4,346,338	4,842,528	-	4,842,528

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balanced Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	11,141	-	11,141	8,797	-	8,797
Payables for securities purchased	-	-	-	500	-	500
Payables	212	-	212	139	-	139
Total	11,353	-	11,353	9,436	-	9,436
	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Conservative Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	382	-	382	114	-	114
Payables	39	-	39	95	-	95
Total	421	-	421	209	-	209
	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Diversified Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,451	-	1,451	360	-	360
Payables	61	-	61	66	-	66
Total	1,512	-	1,512	426	-	426

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Growth Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	489	-	489	415	-	415
Payables for securities purchased	-	-	-	200	-	200
Payables	55	-	55	74	-	74
Total	544	-	544	689	-	689
	30 June 2019			30 June 2018		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geared High Growth Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	866	-	866	293	-	293
Payables	42	-	42	45	-	45
Bank loans	3,908	-	3,908	3,912	-	3,912
Interest payable	1	-	1	1	-	1
Total	4,817	-	4,817	4,251	-	4,251

16 Financial risk management (continued)

(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. For the majority of exchange traded financial assets and liabilities, information provided by the independent pricing services is relied upon for valuation.

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. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Listed securities and exchange traded derivatives are valued at the last traded price. Investments in unlisted unit trusts that are considered activity traded are recorded at the redemption value per unit as reported by the investment managers of such trusts.

(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.

Some of the inputs to a valuation model may not be market observable and are therefore estimated based on assumptions. 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.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such trusts.

The Schemes did not hold significant values of financial instruments with fair value measurement using significant unobservable inputs (level 3) at 30 June 2019 and 30 June 2018.

16 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:

Australian Share Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss								
(2018: Held for trading)								
Derivatives								
Futures	25	-	-	25	46	-	-	46
Foreign exchange forward contracts	-	18	-	18	-	103	-	103
(2018: Designated at fair value through profit or loss)								
Equities	1,156,773	2,956	-	1,159,729	1,187,907	832	523	1,189,262
Debt securities	23,866	-	-	23,866	38,243	-	-	38,243
Unlisted unit trusts	27,580	-	-	27,580	25,926	-	-	25,926
Total	1,208,244	2,974	-	1,211,218	1,252,122	935	523	1,253,580
Financial liabilities mandatorily at fair value through profit or loss								
(2018: Held for trading)								
Derivatives								
Options	9,082	-	-	9,082	3,596	-	-	3,596
Foreign exchange forward contracts	-	40	-	40	-	11	-	11
Total	9,082	40	-	9,122	3,596	11	-	3,607

16 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:

Fixed Income Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	33,294	957,455	-	990,749	8,000	919,666	-	927,666
Total	33,294	957,455	-	990,749	8,000	919,666	-	927,666

International Share Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Equities	1,524,685	-	-	1,524,685	1,367,108	-	-	1,367,108
Unlisted unit trusts	-	-	-	-	47,484	-	-	47,484
Total	1,524,685	-	-	1,524,685	1,414,592	-	-	1,414,592

Real Estate Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Equities	625,171	2,516	-	627,687	595,735	-	15	595,750
Unlisted unit trusts	-	6,324	-	6,324	-	6,088	1,130	7,218
Total	625,171	8,840	-	634,011	595,735	6,088	1,145	602,968

16 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:

Geared Australian Share Fund ¹	30 June 2019				30 June 2018			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	6,945,930	-	-	6,945,930	8,047,609	-	-	8,047,609
Total	6,945,930	-	-	6,945,930	8,047,609	-	-	8,047,609

Balanced Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	104,663	71,613	-	176,276	119,526	75,090	-	194,616
Total	104,663	71,613	-	176,276	119,526	75,090	-	194,616

Conservative Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	4,305	6,796	-	11,101	4,467	7,379	-	11,846
Total	4,305	6,796	-	11,101	4,467	7,379	-	11,846

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 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:

Diversified Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	16,689	21,761	-	38,450	16,610	22,579	-	39,189
Total	16,689	21,761	-	38,450	16,610	22,579	-	39,189

Growth Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	33,053	12,242	-	45,295	33,611	11,963	-	45,574
Total	33,053	12,242	-	45,295	33,611	11,963	-	45,574

Geared High Growth Fund	30 June 2019				30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets mandatorily at fair value through profit or loss (2018: Designated at fair value through profit or loss)								
Unlisted unit trusts	9,574	1,648	-	11,222	9,522	1,674	-	11,196
Total	9,574	1,648	-	11,222	9,522	1,674	-	11,196

16 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels

The Schemes' policy is to recognise transfers into and transfers out of the 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 years ended 30 June 2019 and 30 June 2018:

Australian Share Fund	30 June 2019			30 June 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfers between levels 1 and 3:						
Equities	-	-	-	(2,075)	-	2,075

The transfer from level 1 to level 3 as at 30 June 2018 was related to a single listed equity which was in voluntary administration. The value for this security was subsequently written down to nil during the year ended 30 June 2019.

Real Estate Fund	30 June 2019			30 June 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfers between levels 1 and 3:						
Equities	-	-	-	(4,766)	-	4,766

The transfer from level 1 to level 3 as at 30 June 2018 was related to a single listed equity that was delisted from ASX due to acquisition by a private company.

Apart from the above transfers between levels, there were no other transfers for the years ended 30 June 2019 and 30 June 2018.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following tables present the movement in level 3 instruments, by class of financial instruments, for the years ended 30 June 2019 and 30 June 2018:

Australian Share Fund	30 June 2019		30 June 2018	
	Equities	Total	Equities	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance	523	523	86	86
Purchases	-	-	405	405
Sales	-	-	(169)	(169)
Transfers into level 3	-	-	2,075	2,075
Gains/(losses) recognised in profit or loss	(523)	(523)	(1,874)	(1,874)
Closing balance	-	-	523	523
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	(523)	(523)	(1,895)	(1,895)

Real Estate Fund	30 June 2019			30 June 2018		
	Equities	Unlisted	Total	Equities	Unlisted	Total
	\$'000	unit trusts	\$'000	\$'000	unit trusts	\$'000
Opening balance	15	1,130	1,145	495	1,300	1,795
Return of capital	(25)	(14)	(39)	(1,937)	(137)	(2,074)
Transfers into level 3	-	-	-	4,766	-	4,766
Gains/(losses) recognised in profit or loss	10	(1,116)	(1,106)	(3,309)	(33)	(3,342)
Closing balance	-	-	-	15	1,130	1,145
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	10	(1,116)	(1,106)	(4,111)	(33)	(4,144)

17 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 table below.

	30 June 2019					30 June 2018				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
Australian Share Fund	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
Financial assets										
Margin accounts	43	-	43	-	43	72	-	72	-	72
Derivative financial instruments	43	-	43	(15)	28	149	-	149	-	149
Total	86	-	86	(15)	71	221	-	221	-	221
Financial liabilities										
Derivative financial instruments	(9,122)	-	(9,122)	15	(9,107)	(3,607)	-	(3,607)	-	(3,607)
Total	(9,122)	-	(9,122)	15	(9,107)	(3,607)	-	(3,607)	-	(3,607)

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

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 Scheme does 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.

18 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 exchange 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.

(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.

18 Derivative financial instruments (continued)

(c) Foreign exchange forward contracts

Foreign exchange forward contracts are primarily used by the Schemes to hedge against currency risks on their 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 exchange forward contracts are valued at the prevailing bid price at the end of each reporting period. The Schemes recognise a gain or loss equal to the change in fair value 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 16. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

19 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2019 or on the results and cash flows of the Schemes for the year ended on that date.

20 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2019 or 30 June 2018.

Directors' declaration

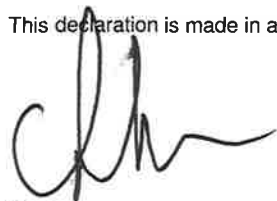
Perpetual Investment Management Limited presents the Directors' declaration in respect of the following Schemes:

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

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

- (a) the annual financial statements and notes, set out on pages 8 to 76, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2019 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 issued by the International Accounting Standards Board.

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



Director

Sydney
18 September 2019



Independent Auditor's Report

To the respective unitholders 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 Geared Australian Share Fund;

Perpetual Private Balanced Fund;

Perpetual Private Conservative Fund;

Perpetual Private Diversified Fund;

Perpetual Private Growth Fund; and

Perpetual Private Geared High Growth 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.

Opinions

We have audited the **Financial Reports** 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 Scheme's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2019
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declarations.



Basis for opinions

We conducted our audits 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 opinions.

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 relevant ethical requirements of *the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). 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 Scheme's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' report. The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for the Other Information.

Our opinions on the Financial Reports do 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 audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, 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.

Responsibilities of the Directors for the Financial Reports

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

- preparing the Financial Reports that give 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 the Financial Reports that give a true and fair view and are 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 alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Jessica Davis

Partner

Sydney

18 September 2019



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