
Perpetual's Pooled Superannuation Trust

Annual Report

ANNUAL REPORT
YEAR ENDED 30 JUNE 2021
Perpetual Superannuation Limited
ABN 84 008 416 831 AFSL 225246 RSE L0003315

Perpetual 

Directory

Trust

Perpetual's Pooled Superannuation Trust (PST)
ABN 89 544 906 125
RSE R1057027

Issuer and Trustee

Perpetual Superannuation Limited (Trustee)
ABN 84 008 416 831
AFSL 225246
RSE L0003315

Contact details

Mail Perpetual PST
GPO Box 4171
Sydney NSW 2001

Phone 1800 022 033

Email investments@perpetual.com.au

Website www.perpetual.com.au/pooledsupertrust

Important notes and disclaimer

This Annual Report (Report) provides the fund information required under the Corporations Act 2001 and has been prepared by the Trustee in September 2021 for unitholders in the PST. This Report should be read in conjunction with your Annual Statement for the year ended 30 June 2021 providing specific details of your fund's investment in the PST.

In this Report, 'we', 'us', 'our' and 'Perpetual Superannuation' are references to the Trustee.

The information is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. The information is believed to be accurate at the date this Report was prepared and is provided by the Trustee in good faith. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

Neither we nor any company in the Perpetual Group guarantee that you will earn any return on your investment or that your investment will gain in value or retain its value. Investment in the PST is subject to investment risk, including possible delays in repayment and loss of income and capital invested.

Contents

Message from the Chair, Perpetual Superannuation Limited	1
Product update	2
Product Disclosure Statement (PDS)	2
Investment option terminations	2
Design and distribution obligations (DDO)	2
Investment information	3
Trustee's investment objective	3
Trustee's investment strategy	3
Investment manager	3
Obtaining updated details on the investment strategy	3
Investment strategy profile	4
Underlying investments	4
Trust and other information	5
The PST	5
Trust Deed	5
Inquiries and complaints	5
Abridged financial information	5
Allocation of investment earnings	5
Interest earned on application and withdrawal accounts	6
Suspension of applications and withdrawals	6
Appendix 1: Abridged financial statements	7

Message from the Chair, Perpetual Superannuation Limited

It gives me great pleasure to present the Annual Report for Perpetual's Pooled Superannuation Trust for the year ended 30 June 2021.

I'd like to start by thanking you for trusting us to manage your fund's investments. It is not a role we take lightly. We know that trust needs to be earned. Our commitment to earning your trust drives our actions every day.

Being part of Perpetual Limited is key for Perpetual Superannuation Limited. We have the backing, infrastructure and support services of a large global, diversified financial services company. We also have a shared set of values and ethos.

Investment performance

Investment performance is a central element of our delivery to you. We aim to deliver the best possible investment outcomes for your fund's investments on a risk-adjusted basis. We remain committed to our investment philosophy no matter what short-term factors are influencing movements in markets.

The PST – Industrial Share investment strategy delivered strong investment returns for the 2021 financial year. Rapid and large support packages by central banks and governments around the world have bolstered economic activity and markets following COVID related volatility. Perpetual's value style was rewarded over the year as down-trodden market sectors like energy and financials recovered.

12-month returns to 30 June 2021	
PST – Industrial Share ¹	S&P/ASX 300 Industrials Accumulation Index
33.0%	27.9%

¹ Investment performance has been calculated using unit prices net of any annual investment fees and indirect costs and tax of up to 15%. Care should be exercised in relying on past performance. Past performance is not indicative of future performance.

This shows the benefit of sticking with your investment strategy in achieving good outcomes over time. However, as always, we remain focused on the risks, as well as the opportunities, in markets. Similar returns should not be expected every year.

Over time we have recognised that the relevance of Responsible Investment issues to performance has become ever more apparent. As such, the consideration of environmental, social and corporate governance (ESG) factors is incorporated into our investment selection and monitoring process. This typically refers to an analysis of what material ESG issues (risks) the investment is exposed to, what impact material ESG issues are likely to have on the investment's prospects and how well ESG issues are being managed, and therefore how likely the possible impacts are to occur.

Investment options

We continually monitor the investment options that we make available to unitholders. During the year we wound up the Smaller Companies Share, Balanced Growth and Global Share investment options. The relatively low levels of money invested in these options meant that it was no longer in unitholders' best interest to continue to offer them.

Unitholder services

There has also been significant effort dedicated to enhancing unitholder services. We have worked hard to improve the tools and features available to unitholders. We want to create a rich engagement with our unitholders, digitising information where it makes sense and improving your experience.

In December 2020, we launched our new online portal called myPerpetual. With greater functionality, a smart dashboard, real time data, stronger security features and a fresh new mobile-friendly design, unitholders have found the new portal easier to use with all the relevant information at their fingertips. All part of our plan to improve digital experience to make superannuation simpler.

Our call centre remains a high priority and we're very proud of our team that consistently delivers outstanding service for unitholders. Our team of highly experienced specialists are on-hand, located here in Australia at Perpetual's head office from 8.30am to 6.00pm (Sydney time), Monday to Friday to answer questions, process requests and deliver service to the highest industry standards.

Thank you for continuing to entrust us to look after your fund's investments.

**Janet Torney – Chair,
Perpetual Superannuation Limited**

Product update

Product Disclosure Statement (PDS)

You can download the current PDS issue number 8 dated 1 March 2019 (including any PDS updates), together with any incorporated documents, from our website or obtain a copy, free of charge, by contacting us.

Latest information about fees and costs

The latest information about ongoing annual fees and costs is published on our website each year.

Investment option terminations

Three of the four PST investment options were terminated during the year, leaving the Industrial Share investment option as the PST's sole investment strategy as at 30 June 2021.

Smaller Companies Share

The Smaller Companies Share investment option, which had been closed to further investment since September 2002, was terminated on 10 December 2020.

Global Share

The Global Share investment option was terminated on 17 June 2021.

Balanced Growth

The Balanced Growth investment option was terminated on 17 June 2021.

Design and distribution obligations (DDO)

DDO requires issuers (like trustees of superannuation funds) and distributors (like advisers) of financial products to monitor consumer outcomes and review products to ensure that consumers are receiving products which are consistent with their likely objectives, financial situation and needs. Each product is required to issue a Target Market Determination (TMD) which contains this information.

The TMD document for the PST will be publicly available on the Perpetual website from 5 October 2021. The TMD does not replace the PDS, which will continue to be issued.

Investment information

Trustee's investment objective

The Trustee's investment objective is to provide a suitable investment for trustees of complying superannuation funds, approved deposit funds and certain other funds which comply with the Superannuation Industry (Supervision) Act 1993 (SIS) and its regulations that are seeking to gain exposure to industrial shares as part of their fund's investment portfolio.

Trustee's investment strategy

The PST's remaining Industrial Share investment strategy is fully invested in Perpetual Industrial Share Fund, an underlying managed investment scheme (underlying fund). Details of the Industrial Share investment strategy are provided in the 'Investment strategy profile', including:

- investment objective
- risk level
- investment guidelines
- commencement date
- size
- total annual investment fees and estimated indirect costs
- investment performance
- asset allocations.

The latest available performance figures and fund size (updated each month) may be obtained from our website or by calling us.

Investment performance has been calculated using unit prices net of any annual investment fees and indirect costs and tax of up to 15%. Care should be exercised in relying on past performance. Past performance is not indicative of future performance.

The Trustee may add, vary or withdraw investment options at its discretion.

Derivatives

The underlying fund may use derivatives to manage risks and asset exposure. While derivatives may be used for trading purposes, they are not used to gear investments.

Investment manager

Perpetual Investment Management Limited (ABN 18 000 866 535, AFSL 234426) (PIML) is the investment manager appointed by the Trustee to manage the investment strategy as at 30 June 2021. PIML is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827) and part of the Perpetual Group.

The Trustee may add, delete or replace investment managers at its discretion.

Obtaining updated details on the investment strategy

Investment details

From time to time, some of the information provided in the PDS about the PST's investment strategy may change. This includes details such as the:

- investment objective
- investment approach
- investment guidelines (eg asset allocation ranges).

Visit our website for up-to-date investment strategy information, together with the latest available investment performance details. Alternatively, such information may be accessed by contacting us.

Fees and costs

You should refer to the current PDS and any updated information provided on our website for the most recent details relating to annual fees and costs.

Buy/sell spreads

Transaction costs are normally reviewed at least annually. This review may result in changes to the buy/sell spreads for the investment strategy.

The current buy/sell spread as at 15 September 2021 is as follows.

Investment strategy	Buy/sell spread
Industrial Share	0.30%/0.00%

Visit our website (or contact us) for details of the current buy/sell spread at any time.

Investment strategy profile

Investment strategy name	Industrial Share		
Investment objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide long-term capital growth and regular income through investment in quality industrial shares outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods. 		
Risk level¹	6 – High		
Investment guidelines	Industrial shares ²	90-100%	
	Cash	0-10%	
Commencement date	July 1995		
Size as at 30 June 2021	\$63.8 million		
Total annual investment fees and estimated indirect costs for year ended 30 June 2021	1.11%		
Investment performance (net earnings) % pa	Year ended 30 June	Tax paid return	
	2019	4.6%	
	2020	-10.3%	
	2021	33.0%	
	Compound average returns to 30 June 2021		
	3 years	7.7%	
	5 years	8.7%	
	10 years	10.0%	
	Since inception	11.0%	
Asset allocations	As at 30 June	2020	2021
	Industrial shares	96%	98%
	Cash	4%	2%

1 The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow unitholders to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

The SRM for the investment strategy may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations by the investment manager. Any changes to SRMs at any time will be available at our website.

Unitholders should still ensure they are comfortable with the risks and potential losses associated with their chosen investment options.

2 The underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 10% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.

Underlying investments

The following table provides details of the PST's underlying investments in unlisted managed investment schemes that had a value in excess of 5% of the PST's total assets as at 30 June 2021. Totals may vary slightly to the sum of the various components due to rounding.

Underlying investments	Value of investment (\$m)	Percentage of total PST assets
Perpetual Industrial Share Fund	\$61.499	94.51%
Sub-total	\$61.499	94.51%
All other	\$3.570	5.49%
Total PST assets	\$65.069	100.00%

Trust and other information

The PST

The PST is a pooled superannuation trust under SIS. The Trustee operates, and intends to continue to operate, the PST as a complying pooled superannuation trust.

Trust Deed

The Trust Deed dated 21 June 1995 (as amended) is a legal document that sets out the provisions governing the operation of the PST and the rights and obligations of unitholders and the Trustee. The Trustee is responsible for ensuring that the PST operates according to the Trust Deed and that the PST complies with all relevant laws.

Unitholders may inspect the Trust Deed at any time at our website or by arrangement with us.

Inquiries and complaints

We're committed to providing you with the highest level of service and the Trustee has established procedures for dealing with any inquiries and complaints.

Inquiries

If you have an inquiry, you can either phone us on 1800 022 033 during business hours, email us at investments@perpetual.com.au or write to:

Client Services
Perpetual PST
GPO Box 4171
Sydney NSW 2001

Complaints

If you have a complaint about your investment in the PST or a Trustee decision that affects you, you should take one of the following steps:

1. Contact one of our Client Services representatives on 1800 022 033 and tell them about your complaint.
2. Email your complaint to MyComplaint@perpetual.com.au.
3. Complete our online complaints submission form available at www.perpetual.com.au/privacy-policy/making-a-complaint.
4. Put your complaint in writing and mail it to:
Client Services – Complaints
Perpetual PST
GPO Box 4171
Sydney NSW 2001

We will endeavour to respond to your complaint fairly and as quickly as we can and by no later than the maximum response timeframe of 90 days (or 45 days for complaints we receive on or after 5 October 2021). If we have not had a reasonable opportunity to respond to your complaint before the maximum response timeframe ends, we will write to you to let you know.

If, before the maximum response timeframe for your complaint has passed, you don't feel as though your concerns are being heard or have received our response and are not satisfied with the resolution that has been proposed, our Client Advocacy Team may be able to assist you. Please see www.perpetual.com.au/about/client-advocacy for information on how to get in touch with our Client Advocacy Team members.

If, at any time you are not satisfied with our response to your complaint, any aspect of our complaints handling process or if you have not received a response within the maximum response timeframe, the Australian Financial Complaints Authority (AFCA) might be able to assist you.

Australian Financial Complaints Authority

We are members of the AFCA external dispute resolution scheme.

AFCA has been established by the Commonwealth Government to deal with complaints from consumers and small businesses about financial services firms. AFCA service is free of charge to you.

Contact details for AFCA are as follows:

Phone 1800 931 678

Email info@afca.org.au

Website www.afca.org.au

Mail Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Abridged financial information

The general purpose financial report for the PST has been prepared in accordance with the requirements of the Trust Deed, Australian Accounting Standards, SIS and other relevant legislative requirements. The general purpose financial report for the PST also complies with the International Financial Reporting Standard (IFRS).

Abridged financial statements are provided in Appendix 1 for the information of unitholders. Copies of the full audited financial statements and auditor's report are available upon request.

Allocation of investment earnings

All income, including realised and unrealised capital gains, losses and expenses are brought to account for the investment strategy and are fully reflected in the unit price of the investment strategy. Provision for income tax, as appropriate, is allowed for in the unit price for the investment strategy.

Interest earned on application and withdrawal accounts

Application money and proceeds of withdrawal requests are held in trust accounts before they're processed. A member of the Perpetual Group retains any interest earned on these accounts.

Suspension of applications and withdrawals

In certain emergency situations which impact on the effective and efficient operation of a market for an asset held by the investment strategy or in circumstances where we otherwise consider it to be in the interests of investors, we may choose to suspend the processing of all applications and withdrawals. This may include situations where:

- we cannot properly ascertain the value of an asset held by the investment strategy
- an event occurs that results in us not being able to reasonably acquire or dispose of assets held by the investment strategy
- the underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

Applications or withdrawals requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

In addition, the Trustee can suspend the payment of a withdrawal for up to 30 days from the date the withdrawal notice was received if the Trustee considers it appropriate.

Appendix 1: Abridged financial statements

Statement of comprehensive income for the year ended 30 June 2021

	2021 \$,000	2020 \$,000
Investment income		
Distributions	2,778	4,633
Net changes in fair value of investments	17,486	(12,441)
Other income	364	708
Total net investment income/(loss)	20,628	(7,100)
Income tax benefit/(expense)	(434)	216
Changes in net assets attributable to unitholders¹	-	(6,884)
Total comprehensive income	20,194	-

1 Effective from 17 June 2021, the Trust's units have been reclassified from financial liability to equity.

Balance sheet as at 30 June 2021

	2021 \$,000	2020 \$,000
Assets		
Financial assets at fair value through profit or loss	61,499	67,080
Receivables	3,570	3,917
Current tax assets	-	216
Total assets	65,069	71,213
Liabilities		
Payables	833	40
Current tax liabilities	434	-
Total liabilities	1,267	40
Net assets attributable to unitholders – liability²	-	71,173
Net assets attributable to unitholders – equity²	63,802	-

2 Net assets attributable to unitholders has been reclassified from financial liability to equity during the year as it satisfies all criteria of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*. Consequently, net assets attributable to unitholders are classified as financial liability as at 30 June 2020 and equity as at 30 June 2021.

Statement of changes in equity for the year ended 30 June 2021

	2021 \$,000	2020 \$,000
Total equity at the beginning of the year	-	-
Reclassification of units from financial liability to equity ³	71,173	-
Comprehensive income for the year		
Profit/(loss)	20,194	-
Transaction with unitholders		
Applications	24,978	-
Redemptions	(52,543)	-
Total transactions with unitholders	(27,565)	-
Total equity at the end of the year	63,802	-

3 Effective from 17 June 2021, the Trust's units have been reclassified from financial liability to equity. As a result, equity transactions, including applications and redemptions, have been disclosed in the above statement for the year ended 30 June 2021. There were no equity transactions for the comparative period.

Australian Capital Territory

Nishi Building
Level 9
2 Phillip Law Street
Canberra ACT 2601

New South Wales

Angel Place
Level 18
123 Pitt Street
Sydney NSW 2000

Queensland

Central Plaza 1
Level 15
345 Queen Street
Brisbane QLD 4000

South Australia

Level 11
101 Grenfell Street
Adelaide SA 5000

Victoria

Rialto South Tower
Level 29
525 Collins Street
Melbourne VIC 3000

Western Australia

Exchange Tower
Level 29
2 The Esplanade
Perth WA 6000

www.perpetual.com.au

Trust is earned.

Perpetual 