
Perpetual Private Investment Funds

Annual Financial Report – 30 June 2021

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

**Perpetual Private Investment Funds
Annual Financial Report
30 June 2021**

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Private Investment Funds, present their report together with the annual financial report of Perpetual Private Investment Funds (the Schemes) for the year ended 30 June 2021 and the auditor's report thereon.

The following are the Schemes included within this report:

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

Responsible Entity

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

Directors

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

A Apted (appointed 9 April 2020)
A Gazal (appointed 9 April 2020)
D Lane (appointed 20 April 2017)

Directors' report (continued)

Principal activities

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

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

The Schemes did not have any employees during the year.

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

Review and results of operations

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

The 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 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Operating profit/(loss)	319,651	(84,373)	26,603	28,329	553,615	96,258	131,391	(78,299)
Distributions paid and payable	81,158	27,323	60,471	24,426	177,783	128,293	9,754	50,972
Distributions (cents per unit) - Class R	11.38	3.30	4.77	1.05	9.71	8.47	0.93	6.67
Distributions (cents per unit) - Class I	9.05	3.65	5.55	2.41	13.26	13.56	2.63	15.18

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:

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)
Distributions paid and payable	13,828	7,609	632	406	2,010	1,407	3,528	1,665
Distributions (cents per unit)	10.07	5.30	8.37	4.59	6.69	4.61	10.76	5.33

Where applicable, the volatility in global and local capital markets resulting from the coronavirus (COVID-19) pandemic continues to be reflected in the valuation of the Schemes' investment portfolios and their financial results for the year ended 30 June 2021.

Interests in the Schemes

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

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

Significant changes in state of affairs

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.

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

The Responsible Entity has appointed State Street Australia Limited, a subsidiary of State Street Corporation to provide the custodial and fund administration services to the Schemes. State Street Australia Limited will officially replace RBC Investor & Treasury Services effective from 27 September 2021.

No other matter or circumstance has arisen since 30 June 2021 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.

Directors' report (continued)

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 13 to the financial statements.

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

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

Indemnification and insurance of officers and auditors

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

Rounding of amounts to the nearest thousand dollars

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

Financial statements presentation

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

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 6.

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



Director

Sydney
22 September 2021

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2021

Statements of comprehensive income

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income								
Dividend/distribution income	30,693	42,561	63,084	30,677	27,828	20,560	21,150	20,692
Interest income	502	1,542	29	223	26	1,511	32	240
Net gains/(losses) on financial instruments at fair value through profit or loss	310,005	(102,672)	(33,890)	131	563,067	101,666	116,398	(92,109)
Net foreign exchange gains/(losses)	-	22	-	-	(12,736)	3,220	(15)	405
Other income	118	579	-	-	264	501	123	450
Total net investment income/(loss)	341,318	(57,968)	29,223	31,031	578,449	127,458	137,688	(70,322)
Expenses								
Responsible Entity's fees	17,451	22,946	2,607	2,621	21,610	19,623	5,701	7,153
Other operating expenses	4,216	3,459	13	81	3,224	11,577	596	824
Total expenses	21,667	26,405	2,620	2,702	24,834	31,200	6,297	7,977
Operating profit/(loss)	319,651	(84,373)	26,603	28,329	553,615	96,258	131,391	(78,299)
Finance costs attributable to unitholders								
Distributions to unitholders	81,158	27,323	60,471	24,426	177,783	128,293	9,754	50,972
Changes in net assets attributable to unitholders	238,493	(111,696)	(33,868)	3,903	375,832	(32,035)	121,637	(129,271)
Profit/(loss)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-

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

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2021
(continued)

Statements of comprehensive income

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income								
Dividend/distribution income	10,747	5,670	523	303	2,249	1,108	3,259	1,540
Interest income	5	47	1	5	1	11	2	14
Net gains/(losses) on financial instruments at fair value through profit or loss	18,787	(7,783)	617	(221)	2,918	(1,305)	6,721	(2,480)
Total net investment income/(loss)	29,539	(2,066)	1,141	87	5,168	(186)	9,982	(926)
Expenses								
Responsible Entity's fees	702	1,330	69	122	196	370	151	271
Other operating expenses	5	43	5	39	5	39	6	42
Total expenses	707	1,373	74	161	201	409	157	313
Profit/(loss)	28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)

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 2021

Balance sheets

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets									
Cash and cash equivalents	11(b)	30,438	84,359	29,762	25,297	93,429	139,685	33,650	60,463
Financial assets at fair value through profit or loss	7	1,303,801	1,102,134	1,063,227	1,061,300	2,674,347	1,523,357	717,050	508,218
Receivables for securities sold		4,467	4,046	14,500	-	28,873	2,250	1,197	4,759
Receivables	9	5,010	4,193	54,025	14,379	8,465	6,596	7,729	7,140
Total assets		1,343,716	1,194,732	1,161,514	1,100,976	2,805,114	1,671,888	759,626	580,580
Liabilities									
Financial liabilities at fair value through profit or loss	8	3,929	6,395	-	-	-	-	-	-
Distributions payable	5	71,079	1,662	51,688	8,424	169,506	111,091	5,549	41,142
Payables for securities purchased		3,258	6,224	-	-	11,140	3,393	675	7,062
Payables	10	2,867	3,391	497	523	3,700	10,874	644	796
Total liabilities (excluding net assets attributable to unitholders)		81,133	17,672	52,185	8,947	184,346	125,358	6,868	49,000
Net assets attributable to unitholders - liability	6	1,262,583	1,177,060	1,109,329	1,092,029	2,620,768	1,546,530	752,758	531,580

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

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2021
(continued)

Balance sheets

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	11(b)	2,178	4,512	136	745	231	1,636	1,318	922
Financial assets at fair value through profit or loss	7	175,130	162,636	9,035	9,520	38,045	34,220	53,034	43,805
Receivables	9	7,930	3,557	377	147	1,603	634	2,349	1,148
Total assets		185,238	170,705	9,548	10,412	39,879	36,490	56,701	45,875
Liabilities									
Distributions payable	5	13,299	6,040	613	320	1,994	1,088	3,399	1,279
Payables	10	42	330	4	36	11	59	9	53
Total liabilities		13,341	6,370	617	356	2,005	1,147	3,408	1,332
Net assets attributable to unitholders - equity	6	171,897	164,335	8,931	10,056	37,874	35,343	53,293	44,543

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 2021
(continued)

Statements of changes in equity

	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year	6	164,335	177,208	10,056	11,757	35,343	39,024	44,543	48,635
Comprehensive income for the year									
Profit/(loss)		28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)
Transactions with unitholders									
Applications	6	5,217	8,474	1,927	1,573	2,392	988	5,223	3,895
Redemptions	6	(13,469)	(11,933)	(3,577)	(2,918)	(3,104)	(3,130)	(3,089)	(5,283)
Units issued upon reinvestment of distributions	6	810	1,634	90	124	286	463	319	200
Distributions to unitholders	5, 6	(13,828)	(7,609)	(632)	(406)	(2,010)	(1,407)	(3,528)	(1,665)
Total transactions with unitholders		(21,270)	(9,434)	(2,192)	(1,627)	(2,436)	(3,086)	(1,075)	(2,853)
Total equity at the end of the year	6	171,897	164,335	8,931	10,056	37,874	35,343	53,293	44,543

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 2021

Statements of cash flows

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Dividends/distributions received	29,634	44,458	23,096	40,420	24,868	21,083	18,225	22,939
Interest received	503	1,561	29	224	26	1,512	32	241
Other income received	1,820	2,355	195	195	1,801	2,147	565	684
Responsible Entity's fees paid	(19,363)	(24,692)	(2,795)	(2,801)	(22,522)	(20,995)	(6,144)	(7,737)
Other operating expenses paid	(4,527)	(2,547)	(46)	(92)	(10,965)	(5,790)	(703)	(868)
Net cash inflow/(outflow) from operating activities	8,067	21,135	20,479	37,946	(6,792)	(2,043)	11,975	15,259
Cash flows from investing activities								
Proceeds from sale of investments	650,419	760,943	102,778	50,000	942,869	744,328	261,243	370,889
Payments for purchase of investments	(547,934)	(758,655)	(153,095)	(120,420)	(1,569,657)	(630,207)	(356,569)	(334,388)
Net cash inflow/(outflow) from investing activities	102,485	2,288	(50,317)	(70,420)	(626,788)	114,121	(95,326)	36,501
Cash flows from financing activities								
Proceeds from applications by unitholders	70,053	148,624	199,130	206,706	800,687	150,814	148,422	62,662
Payments for redemptions by unitholders	(231,024)	(174,457)	(147,680)	(144,056)	(121,329)	(209,906)	(58,426)	(71,262)
Distributions paid	(3,502)	(15,372)	(17,147)	(37,425)	(99,287)	(63,119)	(33,510)	(10,422)
Net cash inflow/(outflow) from financing activities	(164,473)	(41,205)	34,303	25,225	580,071	(122,211)	56,486	(19,022)
Net increase/(decrease) in cash and cash equivalents	(53,921)	(17,782)	4,465	(7,249)	(53,509)	(10,133)	(26,865)	32,738
Cash and cash equivalents at the beginning of the year	84,359	102,141	25,297	32,546	139,685	156,376	60,463	27,721
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	7,253	(6,558)	52	4
Cash and cash equivalents at the end of the year	30,438	84,359	29,762	25,297	93,429	139,685	33,650	60,463

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

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2021
(continued)

Statements of cash flows

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Dividends/distributions received	6,408	6,093	287	388	1,261	1,292	1,926	1,597
Interest received	5	47	1	5	1	11	2	14
Other income received	75	100	9	11	23	29	19	21
Responsible Entity's fees paid	(834)	(1,425)	(81)	(132)	(233)	(396)	(179)	(290)
Other operating expenses paid	(34)	(49)	(30)	(44)	(30)	(44)	(34)	(47)
Net cash inflow/(outflow) from operating activities	5,620	4,766	186	228	1,022	892	1,734	1,295
Cash flows from investing activities								
Proceeds from sale of investments	37,752	32,249	4,609	3,048	6,529	9,716	8,598	7,457
Payments for purchase of investments	(31,459)	(26,392)	(3,507)	(1,688)	(7,436)	(6,791)	(11,106)	(8,447)
Net cash inflow/(outflow) from investing activities	6,293	5,857	1,102	1,360	(907)	2,925	(2,508)	(990)
Cash flows from financing activities								
Proceeds from applications by unitholders	5,160	8,524	1,929	1,579	2,402	1,013	5,348	3,797
Payments for redemptions by unitholders	(13,648)	(11,814)	(3,577)	(2,918)	(3,104)	(3,130)	(3,089)	(5,283)
Distributions paid	(5,759)	(11,076)	(249)	(344)	(818)	(1,307)	(1,089)	(675)
Net cash inflow/(outflow) from financing activities	(14,247)	(14,366)	(1,897)	(1,683)	(1,520)	(3,424)	1,170	(2,161)
Net increase/(decrease) in cash and cash equivalents	(2,334)	(3,743)	(609)	(95)	(1,405)	393	396	(1,856)
Cash and cash equivalents at the beginning of the year	4,512	8,255	745	840	1,636	1,243	922	2,778
Cash and cash equivalents at the end of the year	2,178	4,512	136	745	231	1,636	1,318	922

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. For the purpose of the financial statements, the Schemes 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 22 September 2021. 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. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the impact of coronavirus (COVID-19) pandemic is assessed and estimated. Actual results may differ from these estimates.

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

(b) New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations effective for the first time for the financial year beginning 1 July 2020 that would be expected to have a material impact on the Schemes.

2 Summary of significant accounting policies (continued)

(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 classified as financial assets at fair value through profit or loss.

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

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

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

(iv) Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

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

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

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

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

- . the puttable financial 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.

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

(e) Cash and cash equivalents

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

(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.

2 Summary of significant accounting policies (continued)

(g) Payables

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

(h) Investment income

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

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

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

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

(i) Expenses

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

(j) Income tax

The Schemes are not subject to income tax provided the taxable income of the Schemes are attributed in full to their unitholders each financial year 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.

(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.

2 Summary of significant accounting policies (continued)

(n) Foreign currency translation

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

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

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

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	222,441	(122,393)	(34,002)	246	339,209	(32,230)	129,028	(131,731)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	87,564	19,721	112	(115)	223,858	133,896	(12,630)	39,622
Net gains/(losses) on financial instruments at fair value through profit or loss	310,005	(102,672)	(33,890)	131	563,067	101,666	116,398	(92,109)
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	14,795	(11,712)	386	(556)	2,842	(2,188)	6,185	(3,061)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	3,992	3,929	231	335	76	883	536	581
Net gains/(losses) on financial instruments at fair value through profit or loss	18,787	(7,783)	617	(221)	2,918	(1,305)	6,721	(2,480)

4 Other operating expenses

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transaction costs	1,691	2,041	-	-	1,258	859	553	624
Performance fees	2,444	1,094	-	-	1,679	10,027	-	-
Sundry expenses	81	324	13	81	287	691	43	200
Total	4,216	3,459	13	81	3,224	11,577	596	824

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sundry expenses	5	43	5	39	5	39	6	42
Total	5	43	5	39	5	39	6	42

From 1 October 2020, sundry expenses are paid by the Responsible Entity out of the Responsible Entity's fees.

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

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund - Class R				Fixed Income Fund - Class R			
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	2,643	0.42	5,398	0.85	-	-	68	0.21
Distributions paid - December	737	0.12	7,286	1.20	25	0.09	114	0.36
Distributions paid - March	4,118	0.67	7,455	1.12	47	0.17	36	0.12
Distributions payable - June	56,642	10.17	824	0.13	1,249	4.51	106	0.36
	64,140		20,963		1,321		324	

	Australian Share Fund - Class I				Fixed Income Fund - Class I			
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	950	0.49	1,375	0.82	-	-	4,207	0.44
Distributions paid - December	516	0.26	2,015	1.17	5,488	0.52	6,934	0.70
Distributions paid - March	1,115	0.59	2,132	1.21	3,223	0.31	4,643	0.45
Distributions payable - June	14,437	7.71	838	0.45	50,439	4.72	8,318	0.82
	17,018		6,360		59,150		24,102	

Total distributions	81,158		27,323		60,471		24,426	
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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 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	-	-	531	0.17	-	-	677	0.33
Distributions paid - December	15	-	787	0.28	-	-	529	0.26
Distributions paid - March	506	0.14	374	0.14	620	0.29	736	0.35
Distributions payable - June	41,199	9.57	21,020	7.88	1,446	0.64	11,646	5.73
	41,720		22,712		2,066		13,588	
	International Share Fund - Class I				Real Estate Fund - Class I			
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	-	-	4,029	0.52	-	-	2,344	0.98
Distributions paid - December	4,684	0.53	6,226	0.80	824	0.30	2,562	1.07
Distributions paid - March	3,072	0.31	5,255	0.67	2,761	0.96	2,982	1.24
Distributions payable - June	128,307	12.42	90,071	11.57	4,103	1.37	29,496	11.89
	136,063		105,581		7,688		37,384	
Total distributions	177,783		128,293		9,754		50,972	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Balanced Fund				Conservative Fund			
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	64	0.04	577	0.39	-	-	30	0.30
Distributions paid - December	150	0.11	563	0.38	3	0.04	24	0.25
Distributions paid - March	315	0.22	429	0.30	16	0.18	32	0.37
Distributions payable - June	13,299	9.70	6,040	4.23	613	8.15	320	3.67
Total distributions	13,828		7,609		632		406	

	Diversified Fund				Growth Fund			
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	-	-	123	0.39	7	0.02	109	0.34
Distributions paid - December	-	-	121	0.39	53	0.16	123	0.39
Distributions paid - March	16	0.05	75	0.24	69	0.21	154	0.48
Distributions payable - June	1,994	6.64	1,088	3.59	3,399	10.37	1,279	4.12
Total distributions	2,010		1,407		3,528		1,665	

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 2021 Units '000	30 June 2020 Units '000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2021 \$'000	30 June 2020 \$'000
Net assets attributable to unitholders - liability								
Opening balance	828,277	785,617	1,177,060	1,249,048	1,047,421	983,465	1,092,029	1,020,179
Applications	51,666	118,343	69,933	148,780	187,649	198,744	198,791	207,922
Redemptions	(140,604)	(112,721)	(231,142)	(170,193)	(139,754)	(135,050)	(147,683)	(140,245)
Units issued upon reinvestment of distributions	4,945	37,038	8,239	61,121	58	262	60	270
Changes in net assets attributable to unitholders	-	-	238,493	(111,696)	-	-	(33,868)	3,903
Closing balance	744,284	828,277	1,262,583	1,177,060	1,095,374	1,047,421	1,109,329	1,092,029

	International Share Fund				Real Estate Fund			
	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2021 \$'000	30 June 2020 \$'000
Net assets attributable to unitholders - liability								
Opening balance	1,045,450	1,076,919	1,546,530	1,617,390	451,306	452,352	531,580	663,005
Applications	475,363	93,274	799,544	154,281	107,736	42,617	146,085	65,265
Redemptions	(72,926)	(134,057)	(121,219)	(205,308)	(47,395)	(45,758)	(58,381)	(69,534)
Units issued upon reinvestment of distributions	15,548	9,314	20,081	12,202	13,682	2,095	11,837	2,115
Changes in net assets attributable to unitholders	-	-	375,832	(32,035)	-	-	121,637	(129,271)
Closing balance	1,463,435	1,045,450	2,620,768	1,546,530	525,329	451,306	752,758	531,580

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 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:

	Balanced Fund				Conservative Fund			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders - equity								
Opening balance	142,908	144,368	164,335	177,208	8,735	9,729	10,056	11,757
Applications	4,289	6,878	5,217	8,474	1,650	1,291	1,927	1,573
Redemptions	(10,805)	(9,671)	(13,469)	(11,933)	(2,939)	(2,388)	(3,577)	(2,918)
Units issued upon reinvestment of distributions	700	1,333	810	1,634	78	103	90	124
Distributions to unitholders	-	-	(13,828)	(7,609)	-	-	(632)	(406)
Profit/(loss)	-	-	28,832	(3,439)	-	-	1,067	(74)
Closing balance	137,092	142,908	171,897	164,335	7,524	8,735	8,931	10,056
	Diversified Fund				Growth Fund			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders - equity								
Opening balance	30,338	31,687	35,343	39,024	31,080	31,872	44,543	48,635
Applications	1,959	790	2,392	988	3,450	2,573	5,223	3,895
Redemptions	(2,496)	(2,516)	(3,104)	(3,130)	(1,990)	(3,497)	(3,089)	(5,283)
Units issued upon reinvestment of distributions	245	377	286	463	221	132	319	200
Distributions to unitholders	-	-	(2,010)	(1,407)	-	-	(3,528)	(1,665)
Profit/(loss)	-	-	4,967	(595)	-	-	9,825	(1,239)
Closing balance	30,046	30,338	37,874	35,343	32,761	31,080	53,293	44,543

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.

6 Net assets attributable to unitholders (continued)

Capital risk management

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

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

7 Financial assets at fair value through profit or loss

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives								
Foreign exchange forward contracts	-	4	-	-	-	-	-	1
Equities	1,294,557	1,088,670	-	-	2,674,347	1,523,357	709,068	501,690
Debt securities	9,244	13,460	-	-	-	-	-	-
Unlisted unit trusts	-	-	1,063,227	1,061,300	-	-	7,982	6,527
Total financial assets at fair value through profit or loss	1,303,801	1,102,134	1,063,227	1,061,300	2,674,347	1,523,357	717,050	508,218
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted unit trusts	175,130	162,636	9,035	9,520	38,045	34,220	53,034	43,805
Total financial assets at fair value through profit or loss	175,130	162,636	9,035	9,520	38,045	34,220	53,034	43,805

8 Financial liabilities at fair value through profit or loss

	Australian Share Fund	
	30 June 2021 \$'000	30 June 2020 \$'000
Derivatives		
Options	3,929	6,393
Foreign exchange forward contracts	-	2
Total financial liabilities at fair value through profit or loss	3,929	6,395

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividends/distributions receivable	3,986	2,927	52,615	12,627	3,942	982	6,785	3,860
Interest receivable	6	7	-	-	1	1	-	-
Applications receivable	349	469	1,342	1,681	2,941	4,084	399	2,736
Other receivables	669	790	68	71	1,581	1,529	545	544
Total receivables	5,010	4,193	54,025	14,379	8,465	6,596	7,729	7,140

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividends/distributions receivable	7,843	3,504	377	141	1,600	612	2,346	1,013
Applications receivable	75	18	-	2	-	10	-	125
Other receivables	12	35	-	4	3	12	3	10
Total receivables	7,930	3,557	377	147	1,603	634	2,349	1,148

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	1,409	2,044	244	241	2,459	1,790	571	597
Performance fees payable	1,309	1,175	-	-	1,072	8,631	-	-
Other fees payable	-	141	-	32	-	174	-	81
Redemptions payable	149	31	253	250	169	279	73	118
Total payables	2,867	3,391	497	523	3,700	10,874	644	796
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	42	123	4	11	11	35	9	25
Other fees payable	-	28	-	25	-	24	-	28
Redemptions payable	-	179	-	-	-	-	-	-
Total payables	42	330	4	36	11	59	9	53

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'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)	319,651	(84,373)	26,603	28,329	553,615	96,258	131,391	(78,299)
(Increase)/decrease in dividends/distributions receivable	(1,059)	1,897	(39,988)	9,743	(2,960)	523	(2,925)	2,247
(Increase)/decrease in interest receivable	1	19	-	1	-	1	-	1
(Increase)/decrease in other receivables	121	(154)	3	(2)	(52)	189	(1)	(323)
Increase/(decrease) in payables	(642)	1,096	(29)	6	(7,064)	5,872	(107)	(71)
Net (gains)/losses on financial instruments at fair value through profit or loss	(310,005)	102,672	33,890	(131)	(563,067)	(101,666)	(116,398)	92,109
Net foreign exchange (gains)/losses	-	(22)	-	-	12,736	(3,220)	15	(405)
Net cash inflow/(outflow) from operating activities	8,067	21,135	20,479	37,946	(6,792)	(2,043)	11,975	15,259
(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	30,438	84,290	29,762	25,297	93,429	139,685	33,650	60,463
Deposits at call	-	69	-	-	-	-	-	-
Total cash and cash equivalents	30,438	84,359	29,762	25,297	93,429	139,685	33,650	60,463
(c) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	8,239	61,121	60	270	20,081	12,202	11,837	2,115

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

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss)	28,832	(3,439)	1,067	(74)	4,967	(595)	9,825	(1,239)
(Increase)/decrease in dividends/distributions receivable	(4,339)	423	(236)	85	(988)	184	(1,333)	57
(Increase)/decrease in other receivables	23	-	4	(1)	9	-	7	(1)
Increase/(decrease) in payables	(109)	(1)	(32)	(3)	(48)	(2)	(44)	(2)
Net (gains)/losses on financial instruments at fair value through profit or loss	(18,787)	7,783	(617)	221	(2,918)	1,305	(6,721)	2,480
Net cash inflow/(outflow) from operating activities	5,620	4,766	186	228	1,022	892	1,734	1,295

(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	2,178	4,512	136	745	231	1,636	1,318	922
Total cash and cash equivalents	2,178	4,512	136	745	231	1,636	1,318	922

(c) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans

	810	1,634	90	124	286	463	319	200
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12 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by								
Audit of financial statements	15,325	15,077	9,155	8,968	15,325	15,077	15,325	15,077
Other regulatory assurance services	3,760	3,944	2,581	2,668	3,760	3,944	3,760	3,944
Total	19,085	19,021	11,736	11,636	19,085	19,021	19,085	19,021

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by								
Audit of financial statements	11,571	11,361	8,571	8,389	8,571	8,389	11,571	11,361
Other regulatory assurance services	2,665	2,751	2,560	2,648	2,560	2,648	2,665	2,751
Total	14,236	14,112	11,131	11,037	11,131	11,037	14,236	14,112

Audit fees for 30 June 2021 were paid or payable by the Responsible Entity (30 June 2020: paid by the Schemes).

13 Related party transactions

Responsible Entity

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

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

Key management personnel

(a) Directors

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

A Apted (appointed 9 April 2020)

A Gazal (appointed 9 April 2020)

D Lane (appointed 20 April 2017)

(b) Other key management personnel

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

Key management personnel unitholdings

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

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2021.

13 Related party transactions (continued)

Transactions with key management personnel

Key management personnel services are provided by Perpetual Investment Management Limited and included in the Responsible Entity's fees. There is no separate charge for these services. There 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	2021 Responsible Entity's fees	2020 Responsible Entity's fees ³
Australian Share Fund - Class R ^{1,3}	1.28%	2.03%
Australian Share Fund - Class I ²	0.90%	0.87%
Fixed Income Fund - Class R ^{1,3}	0.99%	1.74%
Fixed Income Fund - Class I ²	0.47%	0.44%
International Share Fund - Class R ^{1,3}	1.30%	2.05%
International Share Fund - Class I ²	0.93%	0.90%
Real Estate Fund - Class R ^{1,3}	1.25%	2.00%
Real Estate Fund - Class I ²	0.70%	0.67%
Balanced Fund ^{1,3}	1.13%	1.88%
Conservative Fund ^{1,3}	1.00%	1.75%
Diversified Fund ^{1,3}	1.07%	1.82%
Growth Fund ^{1,3}	1.16%	1.91%

¹ Effective from 1 October 2020

² Effective from 1 January 2021

³ Prior to 1 October 2020, the Responsible Entity's fees comprised a base fee of 1.49% per annum and an investment fees charged at varying rates.

13 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	17,451,357	22,946,010	2,607,397	2,621,019	21,609,672	19,623,126	5,700,827	7,153,239
Responsible Entity's fees payable	1,408,883	2,043,504	243,596	241,131	2,459,254	1,790,047	571,215	597,010

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	701,807	1,330,085	68,740	122,391	195,714	369,936	151,400	271,197
Responsible Entity's fees payable	42,168	123,041	3,733	10,978	11,350	34,610	9,105	25,360

13 Related party transactions (continued)

Related party unitholdings

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Australian Share Fund										
Unitholders - Class R										
ACRA Diversified Fund	8,961	1.3	8,961	-	981	-	-	-	-	-
Perpetual Charitable and Community Investor Fund	264,562	38.5	2,312	26,721	30,383	288,971	37.4	36,279	5,041	9,049
Perpetual Charitable Endowment Fund	76,991	11.2	2,538	1,411	8,766	75,864	9.8	13,655	8,394	2,523
Perpetual Private Balanced Fund	22,287	3.2	189	2,231	2,549	24,329	3.2	5,344	5,460	820
Perpetual Private Conservative Fund	592	0.1	147	354	70	799	0.1	262	320	30
Perpetual Private Diversified Fund	3,621	0.5	470	232	412	3,383	0.4	1,428	1,736	121
Perpetual Private Geared Australian Share Fund	-	-	6	2,597	6	2,591	0.3	1,069	2,571	115
Perpetual Private Geared High Growth Fund	-	-	6	2,123	7	2,117	0.3	371	528	71
Perpetual Private Growth Fund	7,706	1.1	716	1,474	881	8,464	1.1	1,921	1,542	291
Australian Eligible Rollover Fund	-	-	590	39,397	377	38,807	5.0	3,689	19,575	1,438
Perpetual's Select Superannuation Fund	164,251	23.9	6,633	28,891	18,783	186,509	24.2	43,965	44,213	6,225
Unitholders - Class I										
Perpetual Super Wrap	70,440	37.6	8,796	13,464	6,419	75,108	39.9	17,437	7,879	2,512

13 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 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions paid/payable 30 June 2020 \$'000
Fixed Income Fund										
Unitholders - Class R										
Perpetual Super Wrap	449	-	-	64	21	513	-	86	14	5
Perpetual's Select Superannuation Fund	6,934	0.6	618	1,248	331	7,564	0.7	3,819	5,490	87
Unitholders - Class I										
Perpetual Super Wrap	264,087	24.7	32,917	36,449	14,687	267,619	26.3	46,804	31,530	6,318
	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions paid/payable 30 June 2020 \$'000
International Share Fund										
Unitholders - Class R										
ACRA Diversified Fund	10,472	0.6	10,472	-	1,017	-	-	-	-	-
Perpetual Charitable and Community Investor Fund	56,646	3.4	56,646	-	5,420	-	-	-	-	-
Perpetual Charitable Endowment Fund	16,921	1.0	18,929	2,008	1,619	-	-	-	-	-
Perpetual Private Balanced Fund	39,272	2.3	14,843	4,036	3,815	28,465	2.3	1,355	5,399	2,420
Perpetual Private Conservative Fund	1,100	0.1	718	437	107	819	0.1	112	419	71
Perpetual Private Diversified Fund	6,217	0.4	2,722	371	604	3,866	0.3	338	1,110	330
Perpetual Private Geared High Growth Fund	-	-	145	2,505	-	2,360	0.2	281	894	202
Perpetual Private Growth Fund	13,454	0.8	4,359	362	1,307	9,457	0.8	647	1,799	805
Perpetual Super Wrap	300	-	79	-	29	221	-	56	-	19
Perpetual's Select Superannuation Fund	264,993	15.8	80,847	16,985	25,740	201,131	16.6	10,998	42,130	17,131
Unitholders - Class I										
Perpetual Super Wrap	242,264	23.5	56,186	13,194	31,935	199,272	25.6	19,140	20,075	27,013

13 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 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions paid/payable 30 June 2020 \$'000
Conservative Fund										
Unitholders										
Perpetual Super Wrap	1,739	23.1	30	1,070	146	2,779	31.8	55	504	129

	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions paid/payable 30 June 2020 \$'000
Diversified Fund										
Unitholders										
Perpetual Super Wrap	392	1.3	10	255	26	637	2.1	35	-	29

	Number of units held 30 June 2021 '000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions paid/payable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions paid/payable 30 June 2020 \$'000
Growth Fund										
Unitholders										
Perpetual Super Wrap	1,224	3.7	446	36	132	814	2.6	241	29	41

13 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 2021 '000	Fair value of investments 30 June 2021 \$'000	Interest held 30 June 2021 %	Number of units acquired 30 June 2021 '000	Number of units disposed 30 June 2021 '000	Distributions received/ receivable 30 June 2021 \$'000	Number of units held 30 June 2020 '000	Fair value of investments 30 June 2020 \$'000	Interest held 30 June 2020 %	Number of units acquired 30 June 2020 '000	Number of units disposed 30 June 2020 '000	Distributions received/ receivable 30 June 2020 \$'000
Australian Share Fund												
Investment												
Perpetual Pure Microcap Fund	-	-	-	-	-	-	-	-	-	477	20,425	-
Fixed Income Fund												
Investments												
Perpetual Institutional Cash Management Trust	-	-	-	36	8,778	7	8,742	8,742	0.8	448	25,000	322
Perpetual Private Credit Pooled Fund	637,718	621,942	72.0	117,316	15,582	42,466	535,984	533,596	72.0	56,937	-	9,993
Perpetual Private Duration Fixed Income Fund	453,277	441,285	73.9	32,922	89,978	20,611	510,333	518,962	74.0	62,967	24,112	20,362

13 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
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
Balanced Fund	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	9,666	9,017	2.4	429	3,938	200	13,175	11,685	2.7	5,689	2,549	283
Perpetual Growth Alternatives Pool Fund	14,361	18,637	2.6	1,635	4,831	1,974	17,557	22,355	3.3	5,695	1,500	-
Perpetual Institutional Cash Management Trust	-	-	-	16	7,044	5	7,028	7,028	0.6	94	44	73
Perpetual Private Australian Share Fund	22,287	40,945	3.2	189	2,231	2,549	24,329	37,126	3.2	5,344	5,460	820
Perpetual Private Credit Pooled Fund	22,666	22,105	2.6	4,558	347	1,504	18,455	18,373	2.5	711	4,555	409
Perpetual Private Duration Fixed Income Fund	13,495	13,137	2.2	1,448	5,220	615	17,267	17,559	2.5	2,492	7,271	750
Perpetual Private International Share Fund	39,272	61,737	2.3	14,843	4,036	3,815	28,465	36,618	2.3	1,355	5,399	2,420
Perpetual Private Real Estate Fund	9,215	9,552	1.3	1,281	5,878	85	13,812	11,892	2.2	1,414	522	915

13 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
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Conservative Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	1,166	1,088	0.3	274	141	24	1,033	916	0.2	296	320	29
Perpetual Growth Alternatives Pool Fund	425	551	0.1	46	290	58	669	853	0.1	232	-	-
Perpetual Institutional Cash Management Trust	-	-	-	152	1,004	1	852	852	0.1	13	150	10
Perpetual Private Australian Share Fund	592	1,088	0.1	147	354	70	799	1,219	0.1	262	320	30
Perpetual Private Credit Pooled Fund	2,599	2,534	0.3	1,098	764	180	2,265	2,255	0.3	237	607	48
Perpetual Private Duration Fixed Income Fund	1,712	1,667	0.3	578	827	79	1,961	1,994	0.3	220	840	86
Perpetual Private International Share Fund	1,100	1,729	0.1	718	437	107	819	1,053	0.1	112	419	71
Perpetual Private Real Estate Fund	364	378	0.1	85	160	4	439	378	0.1	132	60	29

13 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
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Diversified Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	2,067	1,928	0.5	58	908	43	2,917	2,587	0.6	1,404	710	62
Perpetual Growth Alternatives Pool Fund	3,065	3,978	0.5	328	1,001	421	3,738	4,760	0.7	1,250	448	-
Perpetual Institutional Cash Management Trust	-	-	-	3	1,482	1	1,479	1,479	0.1	19	52	16
Perpetual Private Australian Share Fund	3,621	6,653	0.5	470	232	412	3,383	5,162	0.4	1,428	1,736	121
Perpetual Private Credit Pooled Fund	7,672	7,482	0.9	983	73	509	6,762	6,731	0.9	250	1,379	143
Perpetual Private Duration Fixed Income Fund	5,055	4,921	0.8	423	1,580	230	6,212	6,317	0.9	852	2,459	263
Perpetual Private International Share Fund	6,217	9,774	0.4	2,722	371	604	3,866	4,974	0.3	338	1,110	330
Perpetual Private Real Estate Fund	3,193	3,309	0.4	880	254	29	2,567	2,210	0.4	348	462	173

13 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
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Growth Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	1,685	1,572	0.4	98	1,025	35	2,612	2,317	0.5	1,667	600	48
Perpetual Growth Alternatives Pool Fund	5,080	6,593	0.9	632	915	698	5,363	6,829	1.0	1,934	800	-
Perpetual Institutional Cash Management Trust	-	-	-	5	2,047	2	2,042	2,042	0.2	27	10	21
Perpetual Private Australian Share Fund	7,706	14,158	1.1	716	1,474	881	8,464	12,916	1.1	1,921	1,542	291
Perpetual Private Credit Pooled Fund	3,124	3,047	0.4	677	-	206	2,447	2,436	0.3	84	125	51
Perpetual Private Duration Fixed Income Fund	1,960	1,908	0.3	1,032	1,069	89	1,997	2,030	0.3	611	1,279	88
Perpetual Private International Share Fund	13,454	21,149	0.8	4,359	362	1,307	9,457	12,166	0.8	647	1,799	805
Perpetual Private Real Estate Fund	4,445	4,607	0.6	1,234	354	41	3,565	3,069	0.6	355	39	236

14 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 related and unrelated unlisted unit trusts for the purpose of capital appreciation and earning investment income.

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

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

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

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

Unconsolidated subsidiaries

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

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

	Fixed Income Fund			
	Fair value		Ownership interest	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	%	%
Perpetual Private Credit Pooled Fund	621,942	533,596	72.0	72.0
Perpetual Private Duration Fixed Income Fund	441,285	518,962	73.9	74.0

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

15 Financial risk management

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

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

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

The Schemes' asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Schemes' investment objectives. Risk management techniques are used in the selection of investments. 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.

The Schemes held foreign exchange forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates. The Schemes do not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

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 did not hold any derivatives to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date.

15 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	International Share Fund		Real Estate Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
United States Dollar	1,770,659	1,131,941	220,736	160,193
British Pound	157,780	78,002	28,616	26,566
Euro	295,767	167,283	33,391	29,760
Hong Kong Dollar	119,729	74,175	21,212	14,977
Japanese Yen	152,731	58,044	18,126	19,629
Other currencies	262,671	125,776	20,955	13,777
Total foreign currency exposure	2,759,337	1,635,221	343,036	264,902

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

(ii) Interest rate risk

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

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.

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets								
Cash and cash equivalents	30,438	84,359	29,762	25,297	93,429	139,685	33,650	60,463
Cash management trusts	-	-	-	8,742	-	-	-	-
Debt securities	9,244	13,460	-	-	-	-	-	-

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets								
Cash and cash equivalents	2,178	4,512	136	745	231	1,636	1,318	922
Cash management trusts	-	7,028	-	852	-	1,479	-	2,042

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

15 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

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

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

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Derivatives	(3,929)	(6,393)	-	-	-	-	-	-
Equities	1,294,557	1,088,670	-	-	2,674,347	1,523,357	709,068	501,690
Units in fixed income trusts	-	-	1,063,227	1,052,558	-	-	-	-
Units in equity and other trusts	-	-	-	-	-	-	7,982	6,527

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Units in fixed income trusts	35,242	35,932	4,201	4,249	12,403	13,048	4,955	4,466
Units in equity and other trusts	139,888	119,676	4,834	4,419	25,642	19,693	48,079	37,297

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

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

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

Sensitivity rates		Impact on operating profit/net assets attributable to unitholders			
		International Share Fund		Real Estate Fund	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Currency risk	USD				
	+10%	(177,066)	(113,194)	(22,074)	(16,019)
	-10%	177,066	113,194	22,074	16,019
GBP	+8%	(12,622)	(6,240)	(2,289)	(2,125)
	-8%	12,622	6,240	2,289	2,125
EUR	+8%	(23,661)	(13,383)	(2,671)	(2,381)
	-8%	23,661	13,383	2,671	2,381
HKD	+10%	(11,973)	-	(2,121)	-
	-10%	11,973	-	2,121	-
	+12%	-	(8,901)	-	(1,797)
	-12%	-	8,901	-	1,797
JPY	+10%	(15,273)	(5,804)	(1,813)	(1,963)
	-10%	15,273	5,804	1,813	1,963

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

Sensitivity rates		Impact on operating profit/net assets attributable to unitholders							
		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Interest rate risk	+0.10%	38	-	30	-	93	-	34	-
	-0.10%	(38)	-	(30)	-	(93)	-	(34)	-
	+0.25%	-	201	-	85	-	349	-	151
	-0.25%	-	(201)	-	(85)	-	(349)	-	(151)
Price risk									
	Equities and equity related securities*								
	+10%	129,063	108,228	-	-	267,435	152,336	71,705	50,822
	-10%	(129,063)	(108,228)	-	-	(267,435)	(152,336)	(71,705)	(50,822)
Units in fixed income trusts	+5%	-	-	53,161	52,628	-	-	-	-
	-5%	-	-	(53,161)	(52,628)	-	-	-	-

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

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

Sensitivity rates		Impact on profit/net assets attributable to unitholders							
		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Interest rate risk	+0.10%	2	-	-	-	-	-	1	-
	-0.10%	(2)	-	-	-	-	-	(1)	-
	+0.25%	-	29	-	4	-	8	-	7
	-0.25%	-	(29)	-	(4)	-	(8)	-	(7)
Price risk									
Units in fixed income trusts	+5%	1,762	1,797	210	212	620	652	248	223
	-5%	(1,762)	(1,797)	(210)	(212)	(620)	(652)	(248)	(223)
Units in equity and other trusts	+10%	13,989	11,968	483	442	2,564	1,969	4,808	3,730
	-10%	(13,989)	(11,968)	(483)	(442)	(2,564)	(1,969)	(4,808)	(3,730)

(b) Credit risk

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

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

15 Financial risk management (continued)

(b) Credit risk (continued)

(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.

(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. Only a limited proportion of these investments are not actively traded on a stock exchange.

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

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

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

15 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2021				30 June 2020			
	Contractual cash flows				Contractual cash flows			
Australian Share Fund	Carrying amount	At call	less than 6 months	6-12 months	Carrying amount	At call	less than 6 months	6-12 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities								
Distributions payable	71,079	-	71,079	-	1,662	-	1,662	-
Payables for securities purchased	3,258	-	3,258	-	6,224	-	6,224	-
Payables	2,867	-	2,867	-	3,391	-	3,391	-
Net assets attributable to unitholders - liability	1,262,583	1,262,583	-	-	1,177,060	1,177,060	-	-
Total	1,339,787	1,262,583	77,204	-	1,188,337	1,177,060	11,277	-
Derivative financial liabilities								
Options	3,929	-	3,929	-	6,393	-	5,248	1,145
Foreign exchange forward contracts	-	-	-	-	2	-	-	-
Outflow	-	-	-	-	-	-	482	-
Inflow	-	-	-	-	-	-	(480)	-
Total	3,929	-	3,929	-	6,395	-	5,250	1,145

15 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 2021			30 June 2020		
	Contractual cash flows			Contractual cash flows		
Fixed Income Fund	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities						
Distributions payable	51,688	-	51,688	8,424	-	8,424
Payables	497	-	497	523	-	523
Net assets attributable to unitholders - liability	1,109,329	1,109,329	-	1,092,029	1,092,029	-
Total	1,161,514	1,109,329	52,185	1,100,976	1,092,029	8,947

	30 June 2021			30 June 2020		
	Contractual cash flows			Contractual cash flows		
International Share Fund	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities						
Distributions payable	169,506	-	169,506	111,091	-	111,091
Payables for securities purchased	11,140	-	11,140	3,393	-	3,393
Payables	3,700	-	3,700	10,874	-	10,874
Net assets attributable to unitholders - liability	2,620,768	2,620,768	-	1,546,530	1,546,530	-
Total	2,805,114	2,620,768	184,346	1,671,888	1,546,530	125,358

15 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 2021			30 June 2020		
	Carrying amount	At call	Contractual cash flows less than 6 months	Carrying amount	At call	Contractual cash flows less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Real Estate Fund						
Non-derivative financial liabilities						
Distributions payable	5,549	-	5,549	41,142	-	41,142
Payables for securities purchased	675	-	675	7,062	-	7,062
Payables	644	-	644	796	-	796
Net assets attributable to unitholders - liability	752,758	752,758	-	531,580	531,580	-
Total	759,626	752,758	6,868	580,580	531,580	49,000

	30 June 2021			30 June 2020		
	Carrying amount	At call	Contractual cash flows less than 6 months	Carrying amount	At call	Contractual cash flows less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balanced Fund						
Non-derivative financial liabilities						
Distributions payable	13,299	-	13,299	6,040	-	6,040
Payables	42	-	42	330	-	330
Total	13,341	-	13,341	6,370	-	6,370

15 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 2021			30 June 2020		
	Carrying amount	At call	Contractual cash flows less than 6 months	Carrying amount	At call	Contractual cash flows less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Conservative Fund						
Non-derivative financial liabilities						
Distributions payable	613	-	613	320	-	320
Payables	4	-	4	36	-	36
Total	617	-	617	356	-	356
Diversified Fund						
Non-derivative financial liabilities						
Distributions payable	1,994	-	1,994	1,088	-	1,088
Payables	11	-	11	59	-	59
Total	2,005	-	2,005	1,147	-	1,147
Growth Fund						
Non-derivative financial liabilities						
Distributions payable	3,399	-	3,399	1,279	-	1,279
Payables	9	-	9	53	-	53
Total	3,408	-	3,408	1,332	-	1,332

15 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.

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.

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

An unlisted unit trust is considered to be quoted in an active market if it publishes daily prices and there is evidence that transactions occur at that unadjusted prices regularly. Investments in such trusts are valued using the redemption value per unit as reported by the investment managers without any adjustment.

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

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

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

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

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

15 Financial risk management (continued)

(d) Fair value measurement (continued)

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

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 any financial instruments with fair value measurement using significant unobservable inputs (level 3) at 30 June 2021 and 30 June 2020.

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 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Foreign exchange forward contracts	-	-	-	-	-	4	-	4
Equities	1,293,801	756	-	1,294,557	1,088,212	458	-	1,088,670
Debt securities	9,244	-	-	9,244	13,460	-	-	13,460
Total	1,303,045	756	-	1,303,801	1,101,672	462	-	1,102,134

Financial liabilities at fair value through profit or loss

Derivatives								
Options	3,929	-	-	3,929	6,393	-	-	6,393
Foreign exchange forward contracts	-	-	-	-	-	2	-	2
Total	3,929	-	-	3,929	6,393	2	-	6,395

Fixed Income Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	1,063,227	-	1,063,227	8,742	1,052,558	-	1,061,300
Total	-	1,063,227	-	1,063,227	8,742	1,052,558	-	1,061,300

15 Financial risk management (continued)

(d) Fair value measurement (continued)

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

International Share Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Equities	2,669,735	4,612	-	2,674,347	1,523,357	-	-	1,523,357
Total	2,669,735	4,612	-	2,674,347	1,523,357	-	-	1,523,357

Real Estate Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Foreign exchange forward contracts	-	-	-	-	-	1	-	1
Equities	709,068	-	-	709,068	501,690	-	-	501,690
Unlisted unit trusts	-	7,982	-	7,982	-	6,527	-	6,527
Total	709,068	7,982	-	717,050	501,690	6,528	-	508,218

Balanced Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	112,234	62,896	-	175,130	92,664	69,972	-	162,636
Total	112,234	62,896	-	175,130	92,664	69,972	-	162,636

15 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Conservative Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	3,195	5,840	-	9,035	3,502	6,018	-	9,520
Total	3,195	5,840	-	9,035	3,502	6,018	-	9,520

Diversified Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	19,736	18,309	-	38,045	13,825	20,395	-	34,220
Total	19,736	18,309	-	38,045	13,825	20,395	-	34,220

Growth Fund	30 June 2021				30 June 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	39,914	13,120	-	53,034	30,193	13,612	-	43,805
Total	39,914	13,120	-	53,034	30,193	13,612	-	43,805

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.

There were no transfers between levels for the years ended 30 June 2021 and 30 June 2020.

16 Offsetting financial assets and financial liabilities

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

	30 June 2021					30 June 2020				
	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										
Derivative financial instruments	-	-	-	-	-	4	-	4	-	4
Total	-	-	-	-	-	4	-	4	-	4
Financial liabilities										
Derivative financial instruments	(3,929)	-	(3,929)	-	(3,929)	(6,395)	-	(6,395)	-	(6,395)
Total	(3,929)	-	(3,929)	-	(3,929)	(6,395)	-	(6,395)	-	(6,395)

16 Offsetting financial assets and financial liabilities (continued)

	30 June 2021					30 June 2020				
	Effects of offsetting on the balance sheet		Related amounts not offset			Effects of offsetting on the balance sheet		Related amounts not offset		
Real Estate 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										
Derivative financial instruments	-	-	-	-	-	1	-	1	-	1
Total	-	-	-	-	-	1	-	1	-	1

Apart from the Schemes 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 Schemes do not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheets, but have been presented separately in this note.

17 Derivative financial instruments

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

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

Derivative transactions include many different instruments such as foreign 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) 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.

(b) 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 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

18 Events occurring after the reporting period

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the capital markets remains uncertain. Since the reporting date, there have been no significant changes in the valuation of the Schemes' investment portfolios arising from the changes in the estimates and assumptions in relation to COVID-19.

The Responsible Entity has appointed State Street Australia Limited, a subsidiary of State Street Corporation to provide the custodial and fund administration services to the Schemes. State Street Australia Limited will officially replace RBC Investor & Treasury Services effective from 27 September 2021.

No other significant events have occurred since the reporting date which would have an impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2021 or on the results and cash flows of the Schemes for the year ended on that date.

19 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2021 and 30 June 2020.

Directors' declaration

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

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

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

- (a) the annual financial statements and notes, set out on pages 7 to 64, 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 2021 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
22 September 2021



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 Balanced Fund;

Perpetual Private Conservative Fund;

Perpetual Private Diversified Fund; and

Perpetual Private 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.

Opinion

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2021
- Statements of comprehensive income for the year then ended
- Statements of changes in equity, and statement of cash flows for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declarations.

Basis for opinion

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- 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 audit of the Financial Report

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 audit of the Financial Report 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

22 September 2021

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