



Directory

Trust

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

Issuer and Trustee

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Important notes and disclaimer

This Annual Report (Report) is a Fund Information Statement, as required to be issued under the Corporations Act, and has been prepared by the Trustee in October 2011 for unitholders in the PST. In this Report, 'we', 'us', 'our' and 'Perpetual Superannuation' are references to the Trustee.

The Trustee is part of the Perpetual Group, which comprises Perpetual Limited and its subsidiaries. Although the Trustee believes the information in this Report is accurate and reliable as at the date of issue, no company in the Perpetual Group, nor any director or officer of any company in the Perpetual Group, makes any representation or warranty as to the accuracy, reliability or completeness of material in this Report. Except in so far as liability under any statute cannot be excluded, companies in the Perpetual Group and directors, officers, employees and consultants of companies in the Perpetual Group do not accept any liability (whether arising in contract, tort, negligence or otherwise) for any error or omission in this Report or for any loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this information or any other person.

Some of the information in this Report is based on an interpretation of relevant laws that were current as at 30 June 2011. None of the information in this Report constitutes financial product advice. No unitholder or any other person should act on the basis of any statement, matter or thing in this Report without first obtaining independent advice.

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



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Directors' message

Dear Unitholder

On behalf of the Trustee of Perpetual's Pooled Superannuation Trust (PST), we are pleased to present the PST's Annual Report for the year ended 30 June 2011.

This Report should be read in conjunction with the Annual Statement for the year ended 30 June 2011, which provides specific details of your investment in the PST.

This Report brings you up to date with relevant details relating to the PST, including the Investment Options available to unitholders. It also provides information on important changes in the superannuation environment, including several changes affecting superannuation contributions and separate one-off levies imposed by the Government for the 2010/2011 and 2011/2012 financial years (see pages 3-4 for details).

It has been another unsettled year for investment markets. Apart from ongoing concerns over the strength of economic recovery and unsustainable government debt in many developed countries, there was a string of other events that affected the markets – natural disasters in Australia, New Zealand and Japan, new minority governments in Australia and the UK, and civil uprisings in the Middle East and North Africa. However, most sharemarkets around the world continued to recover from their lows of March 2009, until drifting in the final quarter, while credit markets were relatively stable.

With the unpredictable nature of financial markets, from day to day and year to year, it makes sense to diversify and take the long term view when it comes to investing. Financial markets experience and recover from major crises in fits and starts, but history suggests they're likely to stabilise and prosper over time.

On 28 September 2011, it was 125 years since Perpetual was founded. Over that time, Perpetual has witnessed constant social, technological and financial change. The way Perpetual operates and the products and services provided have had to adapt to the broader changes in society.

But some things never change. Perpetual's goal as a financial institution is still to help investors manage, invest and preserve their wealth. We are still guided by the same values – integrity, transparency, and respect for our clients; and the need for highly qualified people to apply the highest professional standards in managing your fund's money. History also shows us that we should never lose sight of fundamental investment principles, and the need for diligence in applying them. These are some of the things we've learnt at Perpetual over the past 125 years and which we will continue to uphold in the future.

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

Directors, Perpetual Superannuation Limited

Superannuation changes

Federal Budget changes affecting superannuation

The Government used its 10 May 2011 Budget to announce the following changes affecting superannuation.

Higher superannuation contribution caps for over 50s

The general concessional contributions cap is \$25,000 for the 2011/2012 financial year. This amount will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) once the increase in the indexed amount is greater than \$5,000.

However, if you are already aged 50 or turn 50 between 1 July 2011 and 30 June 2012, you can instead make concessional contributions up to \$50,000 for the 2011/2012 financial year. The Government has announced that, from 1 July 2012, the higher concessional contributions cap for eligible individuals aged 50 and over with total superannuation balances of less than \$500,000 will be \$25,000 above the general concessional contributions cap.

Once-only refund of excess concessional contributions

Concessional contributions include compulsory superannuation guarantee contributions, salary sacrifice contributions and other deductible contributions. Excess contributions tax of 31.5% (in addition to the 15% tax when contributions are made to the fund) is incurred where an individual exceeds their concessional contributions cap.

The Government has proposed that, commencing from the 2011/2012 financial year, if an individual breaches the cap for the first time, by \$10,000 or less, they will have the option to have these excess contributions refunded and taxed at their marginal tax rate rather than incur the 46.5% effective excess contributions tax rate.

Superannuation co-contributions

Individuals earning up to \$31,920 are currently eligible for the full co-contribution on personal after-tax contributions up to \$1,000, and those earning up to \$61,920 can receive a part-payment. These limits will remain frozen for an additional year to 2012/2013, rather than being indexed annually as was the case before 2010/2011.

Phasing out of pension drawdown relief

The minimum payment amounts for account-based pensions and term allocated pensions have been reduced by 25% for the 2011/2012 financial year and will return to normal in 2012/2013. This represents a phasing out of the Government's 50% pension drawdown relief that was provided for the 2008/2009, 2009/2010 and 2010/2011 financial years, which was designed to assist pension account balances recover from capital losses resulting from the global financial crisis.

Greater use of tax file numbers

The Government will allow superannuation fund trustees and retirement savings account (RSA) providers to make greater use of tax file numbers (TFNs) to:

- locate member accounts (with effect from 1 July 2011)
- facilitate the consolidation of multiple member accounts (with effect from 1 January 2012, if not proclaimed earlier).

Other changes

Flood levy

Following the Queensland floods in January 2011, the Federal Government has introduced a flood levy for the 2011/2012 financial year to assist affected communities to recover and rebuild essential infrastructure that was lost.

The flood levy applies to individual taxpayers who have a taxable income of more than \$50,000 in 2011/2012. Lump sum superannuation and pension payments which form part of an individual's taxable income are also included in the calculations.

The levy is calculated at a rate of 0.5% on the taxable component of lump sum superannuation payment amounts between \$50,000 and \$100,000. For amounts over \$100,000, the levy is \$250 plus 1% of the amount over \$100,000. Each lump sum superannuation payment is treated separately when calculating the levy. For pension payments, the levy is calculated based on the total annual taxable component of the pension.

Financial assistance levy

In April 2011, the Federal Government announced that they would provide financial assistance to members of the four superannuation funds that were formerly under the trusteeship of Trio Capital Limited through a \$55 million grant. This financial assistance grant came in the form of a financial assistance levy (FAL) payable by all trustees of APRA regulated super funds and approved deposit funds at the rate of 0.0001347 of the fund value as at 30 June 2010.

The FAL is not payable by pooled superannuation trusts. If your super fund is required to pay the FAL, the trustees will be contacted separately by APRA.

Investment information

Trustee's investment objective

The Trustee's investment objective is to provide a range of Investment Options to trustees of complying superannuation funds, approved deposit funds and certain other funds which comply with the Superannuation Industry (Supervision) Act 1993 (SIS) and its regulations, from which they can select investments that are suitable for their fund's investment portfolio at any particular time.

Trustee's investment strategy

The Trustee's investment strategy is to provide a range of Investment Options with different risk/return profiles.

The Investment Options offer unitholders diversification across different asset classes, regions and markets.

Derivatives

Some of the Investment Options may use derivatives to reduce risks in the share and bond markets and to increase or decrease their exposure to particular investment sectors or markets. While derivatives may be used for trading purposes, they are generally not used to gear investments. Please refer to the current Product Disclosure Statement (PDS) for full details on how derivatives are used in each Investment Option.

Investment Options

All Investment Options are fully invested in underlying managed investment schemes. Relevant details for each of the Investment Options available to PST unitholders are provided on pages 7-9 of this Report, including:

- investment objective
- investment guidelines
- commencement date
- option size
- historical management cost
- investment performance and
- asset allocations.

Full details of the Investment Options are contained in the current PDS, which is available at our website or by calling us.

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

Investment performance has been calculated using unit prices net of any management fees and costs and tax of up to 15%. Care should be exercised in relying on past performance. Historical performance is not a reliable guide to future performance.

The Trustee may add, vary or withdraw Investment Options at its discretion.

Investment managers

The investment managers appointed by the Trustee to manage the various asset classes within the Investment Options as at 30 June 2011 are shown in the following table.

Asset class	Investment manager(s)
Cash, fixed income, property and Australian equities	Perpetual Investment Management Limited
International equities	PI Investment Management Limited ¹

¹ PI Investment Management Limited was subsequently replaced by Wellington Management Company, LLP on 15 August 2011 as the investment manager appointed to manage the international equities asset class.

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

Obtaining updated details on the Investment Options

Investment details

From time to time, some of the information in the PDS about the Investment Options may change. This includes details such as their:

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

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

Buy/sell spreads

We will not increase fees or charges without providing you with 30 days' written notice except in respect of government fees and charges. Transaction costs are normally reviewed at least annually. This review may result in changes to the buy/sell spreads on various Investment Options.

The current buy/sell spreads as at October 2011 are as follows.

Investment Option	Buy/sell spread
Australian Share	0.30%/0.00%
Industrial Share	0.30%/0.00%
International Share	0.50%/0.00%
Balanced Growth	0.34%/0.00%
Smaller Companies Share	0.30%/0.00%

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

Investment Option details

Investment Option name	Australian Share			Industrial Share		
Investment objective	Aims to provide long-term capital growth and income through investment in quality industrial and resource shares.			Aims to provide long-term capital growth and income through investment in quality Australian industrial shares.		
Investment guidelines	Australian shares ¹ Cash	90-100% 0-10%		Australian shares Cash	90-100% 0-10%	
Commencement date	June 2000			July 1995		
Option size as at 30 June 2011	\$12.9 million			\$132.6 million		
Historical management cost for year ended 30 June 2011	0.990%			0.990%		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June		Tax Paid	Year ended 30 June		Tax Paid
	2009		-16.0%	2009		-6.2%
	2010		17.5%	2010		13.7%
	2011		14.4%	2011		8.7%
	Compound average returns to 30 June 2011			Compound average returns to 30 June 2011		
	3 years		4.1%	3 years		5.1%
	5 years		4.8%	5 years		3.2%
	Since inception		10.9%	Since inception		11.7%
Asset allocations	As at 30 June	2010	2011	As at 30 June	2010	2011
	Australian shares	96%	97%	Australian shares	97%	98%
	Other shares	2%	2%	Cash	3%	2%
	Cash	2%	1%			

Investment Option name	International Share			Balanced Growth		
Investment objective	Aims to provide long-term capital growth through investment in international shares.			Aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.		
Investment guidelines	International shares Cash	90-100% 0-10%		Australian shares ² International shares ³ Property Fixed income Cash and enhanced cash ⁴ Other investments ⁵	10-50% 10-50% 0-15% 5-35% 0-30% 0-30%	
Commencement date	December 1996			August 1998		
Option size as at 30 June 2011	\$18.5 million			\$20.6 million		
Historical management cost for year ended 30 June 2011	1.226%			1.040%		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Tax Paid		Year ended 30 June	Tax Paid	
	2009	-6.8%		2009	-9.7%	
	2010	2.7%		2010	10.9%	
	2011	-2.0%		2011	7.4%	
	Compound average returns to 30 June 2011			Compound average returns to 30 June 2011		
	3 years	-2.1%		3 years	2.4%	
	5 years	-3.9%		5 years	1.5%	
	Since inception	3.0%		Since inception	6.3%	
Asset allocations	As at 30 June	2010	2011	As at 30 June	2010	2011
	International shares	99%	99%	Australian shares	31%	27%
	Cash	1%	1%	International shares	31%	28%
				Property	5%	4%
				Fixed income	17%	11%
				Cash and enhanced cash	7%	13%
				Other investments	9%	17%

Investment Option name	Smaller Companies Share (closed)		
Investment objective	Aims to provide long-term capital growth and income through investment in quality Australian industrial and resource shares and other securities which, when first acquired, do not rank in the S&P/ASX 50 Index.		
Investment guidelines	Australian smaller company shares	80-100%	
	Cash	0-20%	
Commencement date	June 1998		
Option size as at 30 June 2011	\$19.2 million		
Historical management cost for year ended 30 June 2011	1.250%		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Tax Paid	
	2009	-23.0%	
	2010	21.5%	
	2011	26.8%	
	Compound average returns to 30 June 2011		
	3 years	5.9%	
	5 years	7.8%	
	Since inception	15.0%	
Asset allocations	As at 30 June	2010	2011
	Australian shares	98%	97%
	Cash	2%	3%

- 1 The underlying fund invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time.
- 2 The underlying fund gains its exposure to Australian shares by investing in an underlying Australian share fund which invests primarily in Australian listed or soon to be listed shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time. The investment guidelines showing the underlying fund's maximum investment in international shares do not include this potential additional exposure.
- 3 International shares may also include emerging market shares.
- 4 Cash investments include discount securities (eg bank bills), short-term deposits and money market funds which may invest in fixed income instruments and loans. Cash provides a relatively consistent rate of return in the form of regular interest payments, generally in line with short-term interest rates and is widely considered the lowest investment risk.
Enhanced cash investments include cash investments, fixed income instruments, hybrids, loans and other income generating securities. The maturity dates of investments are typically longer than cash and they may have a lower credit rating than those in a money market fund, however, they are usually managed to short interest rate exposures. This underlying fund may invest in enhanced cash funds that allow gearing.
- 5 Perpetual may allocate up to 30% of the portfolio to other investments, which may include infrastructure, mortgages (including mezzanine mortgages) and alternative investments such as private equity, emerging market debt, opportunistic property, absolute return funds, specialist credit, commodities and diversified beta funds. The additional exposure to other investments enhances the underlying fund's diversification and may help reduce volatility.

Underlying investments

The following table provides details of the PST's underlying investments in unlisted managed investment schemes that had a value in excess of 5% of the PST's total assets as at 30 June 2011.

Underlying investments	Value of investment (\$m)	Percentage of total PST assets
Perpetual Industrial Share Fund	\$129.197	63.31%
Perpetual Balanced Growth Fund No.2	\$20.424	10.00%
Perpetual Wholesale Smaller Companies Fund	\$18.568	9.10%
Perpetual International Share Fund	\$18.474	9.05%
Perpetual Australian Share Fund	\$12.869	6.31%
Sub-total	\$199.532	97.77%
All other	\$4.536	2.23%
Total PST assets	\$204.068	100.00%

Trust and other information

The PST

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

Trust Deed

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

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

Inquiries and complaints

The Trustee has established procedures for dealing with unitholder inquiries and complaints. If you have an inquiry or a complaint, you can either call us on 1800 022 033 during business hours (Sydney time) or write to:

The Manager, Service & Operations
Perpetual Investments
GPO Box 4171
Sydney NSW 2001

We'll acknowledge any complaint in writing within five business days and make every effort to resolve your issue within 30 days of us being notified.

If a complaint remains unresolved after 45 days you may refer it to the Financial Ombudsman Service (FOS) of which we are a member. FOS is an external dispute resolution scheme that provides assistance to consumers to help resolve complaints relating to financial service providers. Contact details for FOS are as follows:

Address: GPO Box 3
Melbourne VIC 3001
Phone: 1300 78 08 08
Website: www.fos.org.au

Abridged financial information

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

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

Allocation of investment earnings

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

Interest earned on application and withdrawal accounts

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

Suspension of applications, switches and withdrawals

In certain emergency situations which impact on the effective and efficient operation of a market for an asset in an Investment Option or in circumstances where we otherwise consider it to be in the interests of unitholders, we may choose to suspend the processing of all applications, switches or withdrawals for that Investment Option until we are able to properly ascertain the value of that asset. If this occurs, in determining the value of an asset, we will use the asset values determined when the suspension is lifted.

The Investment Option may suspend withdrawals when the underlying fund suspends applications and withdrawals, in accordance with the underlying fund's constitution.

Appendix 1:

Abridged financial statements

Operating statement for the year ended 30 June 2011

	2011 \$000	2010 \$000
Investment income		
Distributions	7,329	5,989
Net changes in fair value of investments	10,432	23,607
Interest	-	35
Other income	1,580	1,845
Total investment income	19,341	31,476
Expenses		
Other expenses	-	9
Total expenses	-	9
(Loss)/profit from operating activities before income tax	19,341	31,467
Income tax (benefit)/expense	(12)	172
Net (loss)/profit after income tax / change in net assets attributable to unitholders	19,353	31,295

Statement of financial position as at 30 June 2011

	2011 \$000	2010 \$000
Assets		
Financial assets at fair value through profit or loss	199,532	221,479
Distributions receivable	2,665	2,017
Current tax assets	1,756	-
Deferred tax assets	-	837
Other receivables	115	142
Total assets	204,068	224,475
Liabilities		
Current tax liabilities	-	2,079
Deferred tax liabilities	266	-
Total liabilities	266	2,079
Net assets	203,802	222,396

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