

PERPETUAL PRIVATE INVESTMENT FUNDS

ANNUAL FINANCIAL REPORT
30 JUNE 2020

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

**Perpetual Private Investment Funds
Annual Financial Report
30 June 2020**

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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 2020 and the auditor's report thereon.

The following are the Schemes included within this report:

Statutory name	Referred to in this document as	ARSN
Perpetual Private Australian Share Fund	"Australian Share Fund"	098 776 026
Perpetual Private Fixed Income Fund	"Fixed Income Fund"	098 776 179
Perpetual Private International Share Fund	"International Share Fund"	098 776 115
Perpetual Private Real Estate Fund	"Real Estate Fund"	098 776 302
Perpetual Private Geared Australian Share Fund ¹	"Geared Australian Share Fund"	124 209 203
Perpetual Private Balanced Fund	"Balanced Fund"	098 775 869
Perpetual Private Conservative Fund	"Conservative Fund"	100 476 882
Perpetual Private Diversified Fund	"Diversified Fund"	098 775 690
Perpetual Private Growth Fund	"Growth Fund"	098 775 921
Perpetual Private Geared High Growth Fund ¹	"Geared High Growth Fund"	124 209 463

Responsible Entity

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

Directors

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

A Apted (appointed 9 April 2020)
A Gazal (appointed 9 April 2020)
D Lane (appointed 20 April 2017)
R Adams (appointed 17 October 2018, resigned 9 April 2020)
C Green (appointed 17 October 2018, resigned 9 April 2020)

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

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 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	(84,373)	40,164	28,329	53,218	96,258	167,864	(78,299)	86,723
Distributions paid and payable	27,323	78,213	24,426	35,968	128,293	71,043	50,972	8,121
Distributions (cents per unit) - Class R	3.30	10.17	1.05	2.34	8.47	4.06	6.67	0.40
Distributions (cents per unit) - Class I	3.65	8.93	2.41	3.69	13.56	7.63	15.18	2.91

Directors' report (continued)

Review and results of operations (continued)

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

	Geared Australian Share Fund^{1,2}		Balanced Fund		Conservative Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	(817,306)	188,554	(3,439)	10,160	(74)	509
Distributions paid and payable	138,688	556,866	7,609	12,862	406	465
Distributions (cents per unit)	2.09	8.71	5.30	8.87	4.59	4.77
	Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	(595)	1,994	(1,239)	2,650	(291)	681
Distributions paid and payable	1,407	1,722	1,665	806	1,168	866
Distributions (cents per unit)	4.61	5.41	5.33	2.50	13.06	9.79

The rapid spread of the coronavirus (COVID-19) across the globe has led to unprecedented economic times and governments taking extreme measures to limit the spread of the virus. This has resulted in significant volatility in global and local capital markets which has been reflected in the valuation of the Schemes' investment portfolios and their financial results for the year ended 30 June 2020.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Directors' report (continued)

Interests in the Schemes

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

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

Significant changes in state of affairs

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

Likely developments and expected results of operations

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

Matters subsequent to the end of the financial year

On 9 September 2020, the Responsible Entity resolved and approved that winding up of the Geared Australian Share Fund and the Geared High Growth Fund was in the best interests of their respective unitholders as there are limited growth opportunities for the Schemes and the Schemes have not attained the scale required for them to remain viable, particularly in terms of investment and operating cost efficiencies. The Responsible Entity will pay the final returns of capital to unitholders prior to 31 October 2020. The wind-up of the Geared Australian Share Fund and the Geared High Growth Fund commenced on 15 September 2020 and the Schemes will be terminated effective 21 October 2020. Accordingly the financial statements for the Geared Australian Share Fund and the Geared High Growth Fund for the financial year ended 30 June 2020 have been prepared on a basis other than going concern.

The uncertainty around COVID-19 is expected to continue to present social and economic challenges in the next financial year 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 is closely monitoring the liquidity of the Schemes and any impact on the valuation of the Schemes' investment portfolios.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

Environmental regulation

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

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

Fees paid to the Responsible Entity and its related parties out of Schemes' property during the year are disclosed in note 14 to the financial statements.

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

The number of interests in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 to the financial statements.

Directors' report (continued)

Indemnification and insurance of officers and auditors

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

Rounding of amounts to the nearest thousand dollars

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

Financial statements presentation

The Schemes are entities of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*. 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 7.

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



Director

Sydney
23 September 2020



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

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

Perpetual Private Australian Share Fund;
Perpetual Private Fixed Income Fund;
Perpetual Private International Share Fund;
Perpetual Private Real Estate Fund;
Perpetual Private Geared Australian Share Fund;

Perpetual Private Balanced Fund;
Perpetual Private Conservative Fund;
Perpetual Private Diversified Fund;
Perpetual Private Growth Fund; and
Perpetual Private Geared High Growth Fund.

I declare that, to the best of my knowledge and belief, in relation to the audits of the Schemes for the financial year ended 30 June 2020 there have been:

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

KPMG

Jessica Davis

Partner

Sydney

23 September 2020

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2020

Statements of comprehensive income

		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	Notes	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Investment income											
Dividend/distribution income		42,561	51,314	30,677	38,033	20,560	22,327	20,692	24,735	114,930	426,476
Interest income		1,542	3,447	223	538	1,511	2,124	240	376	1,446	4,853
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(102,672)	10,908	131	17,259	101,666	160,934	(92,109)	69,281	(917,540)	(229,213)
Net foreign exchange gains/(losses)		22	(19)	-	-	3,220	3,572	405	305	-	-
Other income		579	89	-	-	501	278	450	71	124,449	155,592
Total net investment income/(loss)		(57,968)	65,739	31,031	55,830	127,458	189,235	(70,322)	94,768	(676,715)	357,708
Expenses											
Responsible Entity's fees	14	22,946	23,559	2,621	2,515	19,623	18,733	7,153	7,365	124,257	155,381
Other operating expenses	4	3,459	2,016	81	97	11,577	2,638	824	680	16,334	13,773
Total expenses		26,405	25,575	2,702	2,612	31,200	21,371	7,977	8,045	140,591	169,154
Operating profit/(loss)		(84,373)	40,164	28,329	53,218	96,258	167,864	(78,299)	86,723	(817,306)	188,554
Finance costs attributable to unitholders											
Distributions to unitholders	5	27,323	78,213	24,426	35,968	128,293	71,043	50,972	8,121	-	-
Interest expense		-	-	-	-	-	3	-	12	83,276	146,138
Changes in net assets attributable to unitholders	6	(111,696)	(38,049)	3,903	17,250	(32,035)	96,818	(129,271)	78,590	-	-
Profit/(loss)		-	-	-	-	-	-	-	-	(900,582)	42,416
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-	(900,582)	42,416

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2020
(continued)

Statements of comprehensive income

		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	Notes	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income											
Dividend/distribution income		5,670	6,969	303	427	1,108	1,472	1,540	1,830	354	444
Interest income		47	58	5	10	11	22	14	30	2	6
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(7,783)	4,457	(221)	233	(1,305)	909	(2,480)	1,085	(597)	280
Other income		-	-	-	-	-	-	-	-	175	192
Total net investment income/(loss)		(2,066)	11,484	87	670	(186)	2,403	(926)	2,945	(66)	922
Expenses											
Responsible Entity's fees	14	1,330	1,284	122	125	370	373	271	256	209	227
Other operating expenses	4	43	40	39	36	39	36	42	39	16	14
Total expenses		1,373	1,324	161	161	409	409	313	295	225	241
Operating profit/(loss)		(3,439)	10,160	(74)	509	(595)	1,994	(1,239)	2,650	(291)	681
Finance costs attributable to unitholders											
Interest expense		-	-	-	-	-	-	-	-	99	151
Profit/(loss)		(3,439)	10,160	(74)	509	(595)	1,994	(1,239)	2,650	(390)	530
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		(3,439)	10,160	(74)	509	(595)	1,994	(1,239)	2,650	(390)	530

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2020

Balance sheets

		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	Notes	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Assets											
Cash and cash equivalents	12(b)	84,359	102,141	25,297	32,546	139,685	156,376	60,463	27,721	656,616	333,269
Financial assets at fair value through profit or loss	7	1,102,134	1,211,218	1,061,300	990,749	1,523,357	1,524,685	508,218	634,011	3,953,414	6,945,930
Receivables for securities sold		4,046	1,779	-	-	2,250	6,951	4,759	3,830	-	-
Receivables	9	4,193	5,799	14,379	22,905	6,596	3,842	7,140	6,462	24,422	311,835
Total assets		1,194,732	1,320,937	1,100,976	1,046,200	1,671,888	1,691,854	580,580	672,024	4,634,452	7,591,034
Liabilities											
Financial liabilities at fair value through profit or loss	8	6,395	9,122	-	-	-	-	-	-	-	-
Distributions payable to unitholders of the Schemes	5	1,662	50,832	8,424	21,693	111,091	58,119	41,142	2,707	138,688	556,866
Payables for securities purchased		6,224	5,376	-	-	3,393	6,745	7,062	3,717	-	-
Payables	10	3,391	6,559	523	4,328	10,874	9,600	796	2,595	21,870	32,038
Bank loans	11	-	-	-	-	-	-	-	-	2,237,141	3,756,537
Interest payable	11	-	-	-	-	-	-	-	-	329	897
Total liabilities (excluding net assets attributable to unitholders)		17,672	71,889	8,947	26,021	125,358	74,464	49,000	9,019	2,398,028	4,346,338
Net assets attributable to unitholders - liability	6	1,177,060	1,249,048	1,092,029	1,020,179	1,546,530	1,617,390	531,580	663,005	-	-
Net assets attributable to unitholders - equity	6	-	-	-	-	-	-	-	-	2,236,424	3,244,696

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2020
(continued)

Balance sheets

		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	Notes	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Assets											
Cash and cash equivalents	12(b)	4,512	8,255	745	840	1,636	1,243	922	2,778	526	369
Financial assets at fair value through profit or loss	7	162,636	176,276	9,520	11,101	34,220	38,450	43,805	45,295	8,779	11,222
Receivables	9	3,557	4,030	147	237	634	843	1,148	1,106	306	320
Total assets		170,705	188,561	10,412	12,178	36,490	40,536	45,875	49,179	9,611	11,911
Liabilities											
Distributions payable to unitholders of the Schemes	5	6,040	11,141	320	382	1,088	1,451	1,279	489	1,168	866
Payables	10	330	212	36	39	59	61	53	55	38	42
Bank loans	11	-	-	-	-	-	-	-	-	2,879	3,908
Interest payable	11	-	-	-	-	-	-	-	-	-	1
Total liabilities		6,370	11,353	356	421	1,147	1,512	1,332	544	4,085	4,817
Net assets attributable to unitholders - equity	6	164,335	177,208	10,056	11,757	35,343	39,024	44,543	48,635	5,526	7,094

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

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 2020
(continued)

Statements of changes in equity

	Notes	Geared Australian Share Fund ^{1,2}		Balanced Fund		Conservative Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$	\$	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year	6	3,244,696	3,649,188	177,208	192,281	11,757	12,661
Comprehensive income for the year							
Profit/(loss)		(900,582)	42,416	(3,439)	10,160	(74)	509
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(900,582)	42,416	(3,439)	10,160	(74)	509
Transactions with unitholders							
Applications	6	855,353	775,128	8,474	7,643	1,573	1,542
Redemptions	6	(1,381,221)	(1,271,874)	(11,933)	(21,227)	(2,918)	(2,559)
Units issued upon reinvestment of distributions	6	556,866	606,704	1,634	1,213	124	69
Distributions to unitholders	5, 6	(138,688)	(556,866)	(7,609)	(12,862)	(406)	(465)
Total transactions with unitholders		(107,690)	(446,908)	(9,434)	(25,233)	(1,627)	(1,413)
Total equity at the end of the year	6	2,236,424	3,244,696	164,335	177,208	10,056	11,757

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of changes in equity
For the year ended 30 June 2020
(continued)

Statements of changes in equity

		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year	6	39,024	40,627	48,635	48,832	7,094	8,025
Comprehensive income for the year							
Profit/(loss)		(595)	1,994	(1,239)	2,650	(390)	530
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(595)	1,994	(1,239)	2,650	(390)	530
Transactions with unitholders							
Applications	6	988	1,009	3,895	3,283	1,124	928
Redemptions	6	(3,130)	(3,052)	(5,283)	(5,509)	(2,000)	(1,816)
Units issued upon reinvestment of distributions	6	463	168	200	185	866	293
Distributions to unitholders	5, 6	(1,407)	(1,722)	(1,665)	(806)	(1,168)	(866)
Total transactions with unitholders		(3,086)	(3,597)	(2,853)	(2,847)	(1,178)	(1,461)
Total equity at the end of the year	6	35,343	39,024	44,543	48,635	5,526	7,094

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2020

Statements of cash flows

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Cash flows from operating activities										
Dividends/distributions received	44,458	56,842	40,420	22,825	21,083	31,917	22,939	24,997	385,647	467,394
Interest received	1,561	3,444	224	538	1,512	2,125	241	376	1,454	4,846
Other income received	2,355	1,953	195	183	2,147	1,652	684	611	140,804	170,152
Responsible Entity's fees paid	(24,692)	(25,330)	(2,801)	(2,678)	(20,995)	(20,084)	(7,737)	(7,908)	(139,708)	(168,074)
Other operating expenses paid	(2,547)	(2,090)	(92)	(90)	(5,790)	(1,331)	(868)	(676)	(16,923)	(15,568)
Net cash inflow/(outflow) from operating activities	21,135	34,819	37,946	20,778	(2,043)	14,279	15,259	17,400	371,274	458,750
Cash flows from investing activities										
Proceeds from sale of investments	760,943	570,867	50,000	12,000	744,328	616,639	370,889	258,181	3,804,623	2,413,860
Payments for purchase of investments	(758,655)	(496,235)	(120,420)	(57,824)	(630,207)	(511,675)	(334,388)	(217,990)	(1,729,647)	(1,541,394)
Net cash inflow/(outflow) from investing activities	2,288	74,632	(70,420)	(45,824)	114,121	104,964	36,501	40,191	2,074,976	872,466
Cash flows from financing activities										
Proceeds from applications by unitholders	148,624	53,598	206,706	167,180	150,814	174,626	62,662	49,221	865,374	769,770
Payments for redemptions by unitholders	(174,457)	(107,314)	(144,056)	(112,953)	(209,906)	(138,934)	(71,262)	(111,267)	(1,385,037)	(1,271,780)
Distributions paid	(15,372)	(14,929)	(37,425)	(23,987)	(63,119)	(104,472)	(10,422)	(6,795)	-	-
Proceeds from bank loans	12(d) -	-	-	-	-	-	-	-	1,427,604	1,220,191
Repayments of bank loans	12(d) -	-	-	-	-	-	-	-	(2,947,000)	(1,664,000)
Interest expense paid	-	-	-	-	-	(3)	-	(12)	(83,844)	(146,118)
Net cash inflow/(outflow) from financing activities	(41,205)	(68,645)	25,225	30,240	(122,211)	(68,783)	(19,022)	(68,853)	(2,122,903)	(1,091,937)
Net increase/(decrease) in cash and cash equivalents	(17,782)	40,806	(7,249)	5,194	(10,133)	50,460	32,738	(11,262)	323,347	239,279
Cash and cash equivalents at the beginning of the year	102,141	61,335	32,546	27,352	156,376	107,139	27,721	39,031	333,269	93,990
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(6,558)	(1,223)	4	(48)	-	-
Cash and cash equivalents at the end of the year	84,359	102,141	25,297	32,546	139,685	156,376	60,463	27,721	656,616	333,269

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2020
(continued)

Statements of cash flows

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Dividends/distributions received	6,093	8,903	388	432	1,292	1,544	1,597	2,448	365	631
Interest received	47	58	5	10	11	22	14	30	2	6
Other income received	100	97	11	13	29	29	21	19	193	211
Responsible Entity's fees paid	(1,425)	(1,374)	(132)	(135)	(396)	(399)	(290)	(272)	(228)	(244)
Other operating expenses paid	(49)	(34)	(44)	(31)	(44)	(30)	(47)	(32)	(17)	(15)
Net cash inflow/(outflow) from operating activities	4,766	7,650	228	289	892	1,166	1,295	2,193	315	589
Cash flows from investing activities										
Proceeds from sale of investments	32,249	44,700	3,048	2,810	9,716	4,292	7,457	3,812	3,262	1,794
Payments for purchase of investments	(26,392)	(22,403)	(1,688)	(1,832)	(6,791)	(2,644)	(8,447)	(2,648)	(1,415)	(1,540)
Net cash inflow/(outflow) from investing activities	5,857	22,297	1,360	978	2,925	1,648	(990)	1,164	1,847	254
Cash flows from financing activities										
Proceeds from applications by unitholders	8,524	7,646	1,579	1,616	1,013	1,009	3,797	3,289	1,125	923
Payments for redemptions by unitholders	(11,814)	(21,167)	(2,918)	(2,622)	(3,130)	(3,067)	(5,283)	(5,539)	(2,000)	(1,818)
Distributions paid	(11,076)	(9,305)	(344)	(128)	(1,307)	(463)	(675)	(547)	-	-
Proceeds from bank loans	12(d) -	-	-	-	-	-	-	-	201	860
Repayments of bank loans	12(d) -	-	-	-	-	-	-	-	(1,230)	(864)
Interest expense paid	-	-	-	-	-	-	-	-	(101)	(151)
Net cash inflow/(outflow) from financing activities	(14,366)	(22,826)	(1,683)	(1,134)	(3,424)	(2,521)	(2,161)	(2,797)	(2,005)	(1,050)
Net increase/(decrease) in cash and cash equivalents	(3,743)	7,121	(95)	133	393	293	(1,856)	560	157	(207)
Cash and cash equivalents at the beginning of the year	8,255	1,134	840	707	1,243	950	2,778	2,218	369	576
Cash and cash equivalents at the end of the year	4,512	8,255	745	840	1,636	1,243	922	2,778	526	369

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

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 23 September 2020. 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 and has been prepared on a going concern basis except as set out below for the Geared Australian Share Fund and the Geared High Growth Fund.

Basis of preparation other than going concern - Geared Australian Share Fund and the Geared High Growth Fund

The financial statements for the Geared Australian Share Fund and the Geared High Growth Fund have not been prepared on a going concern basis as the Responsible Entity has made the decision to wind-up the Geared Australian Share Fund and the Geared High Growth Fund, realising all assets, settling all liabilities and making a final distribution to the respective unitholders, with the effective termination date of the Geared Australian Share Fund and the Geared High Growth Fund on 21 October 2020.

In preparing the financial statements of the Geared Australian Share Fund and the Geared High Growth Fund on an alternate basis, the Geared Australian Share Fund and the Geared High Growth Fund have continued to apply the requirements of Australian Accounting Standards taking into account that the Geared Australian Share Fund and the Geared High Growth Fund will not continue as a going concern. There have been no significant remeasurements of any amounts in the financial statements of the Geared Australian Share Fund and the Geared High Growth Fund.

No additional provisions or liabilities have been recognised as a result of the intended wind-up of the Geared Australian Share Fund and the Geared High Growth Fund as the Responsible Entity has not incurred any legal or contractual obligations.

Significant accounting policies in Note 2(b) to 2(n) apply to all the individual Schemes including the Geared Australian Share Fund and the Geared High Growth Fund.

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.

2 Summary of significant accounting policies (continued)

Use of estimates

Management has taken into consideration the impacts of COVID-19 to make 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 other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 16(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 2019 that would be expected to have a material impact on the Schemes.

(c) Financial instruments

(i) Classification

The Schemes classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Schemes' 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).

2 Summary of significant accounting policies (continued)

(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 16(d).

(iv) Offsetting financial instruments

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

(d) Net assets attributable to unitholders

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

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

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

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

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;
- no contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Schemes, and it is not a contract settled in the Schemes' own equity instrument; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

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.

2 Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

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

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

(f) Receivables

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

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

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

(g) Payables

Payables include accrued expenses, 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.

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

2 Summary of significant accounting policies (continued)

(j) Income tax

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

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

(k) Distributions

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

(l) Changes in net assets attributable to unitholders

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

(m) Goods and Services Tax

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

(n) Foreign currency translation

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

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

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

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(122,393)	(30,087)	246	17,379	(32,230)	94,025	(131,731)	29,246	(694,916)	(411,318)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	19,721	40,995	(115)	(120)	133,896	66,909	39,622	40,035	(222,624)	182,105
Net gains/(losses) on financial instruments at fair value through profit or loss	(102,672)	10,908	131	17,259	101,666	160,934	(92,109)	69,281	(917,540)	(229,213)
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(11,712)	(3,152)	(556)	1	(2,188)	142	(3,061)	282	(1,417)	(184)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	3,929	7,609	335	232	883	767	581	803	820	464
Net gains/(losses) on financial instruments at fair value through profit or loss	(7,783)	4,457	(221)	233	(1,305)	909	(2,480)	1,085	(597)	280

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

4 Other operating expenses

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Transaction costs	2,041	1,724	-	-	859	682	624	482	-	-
Performance fees	1,094	-	-	-	10,027	1,468	-	-	-	-
Sundry expenses	324	292	81	97	691	488	200	198	16,334	13,773
Total	3,459	2,016	81	97	11,577	2,638	824	680	16,334	13,773

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sundry expenses	43	40	39	36	39	36	42	39	16	14
Total	43	40	39	36	39	36	42	39	16	14

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund - Class R				Fixed Income Fund - Class R			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	5,398	0.85	5,076	0.80	68	0.21	-	-
Distributions paid - December	7,286	1.20	9,915	1.56	114	0.36	91	0.27
Distributions paid - March	7,455	1.12	7,041	1.11	36	0.12	108	0.32
Distributions payable - June	824	0.13	41,662	6.70	106	0.36	584	1.75
	20,963		63,694		324		783	
	Australian Share Fund - Class I				Fixed Income Fund - Class I			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	1,375	0.82	1,102	0.70	4,207	0.44	-	-
Distributions paid - December	2,015	1.17	2,456	1.53	6,934	0.70	7,815	0.82
Distributions paid - March	2,132	1.21	1,791	1.09	4,643	0.45	6,261	0.65
Distributions payable - June	838	0.45	9,170	5.61	8,318	0.82	21,109	2.22
	6,360		14,519		24,102		35,185	
Total distributions	27,323		78,213		24,426		35,968	

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 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	531	0.17	359	0.11	677	0.33	289	0.12
Distributions paid - December	787	0.28	674	0.20	529	0.26	-	-
Distributions paid - March	374	0.14	145	0.05	736	0.35	342	0.16
Distributions payable - June	21,020	7.88	11,377	3.70	11,646	5.73	254	0.12
	22,712		12,555		13,588		885	
	International Share Fund - Class I				Real Estate Fund - Class I			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	4,029	0.52	3,152	0.43	2,344	0.98	1,434	0.57
Distributions paid - December	6,226	0.80	5,061	0.67	2,562	1.07	-	-
Distributions paid - March	5,255	0.67	3,533	0.46	2,982	1.24	3,349	1.34
Distributions payable - June	90,071	11.57	46,742	6.07	29,496	11.89	2,453	1.00
	105,581		58,488		37,384		7,236	
Total distributions	128,293		71,043		50,972		8,121	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Geared Australian Share Fund ^{1,2}				Balanced Fund			
	30 June 2020 \$	30 June 2020 CPU	30 June 2019 \$	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	-	-	-	-	577	0.39	474	0.30
Distributions paid - December	-	-	-	-	563	0.38	725	0.49
Distributions paid - March	-	-	-	-	429	0.30	522	0.36
Distributions payable - June	138,688	2.09	556,866	8.71	6,040	4.23	11,141	7.72
Total distributions	138,688		556,866		7,609		12,862	

	Conservative Fund				Diversified Fund			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	30	0.30	17	0.17	123	0.39	79	0.24
Distributions paid - December	24	0.25	42	0.42	121	0.39	107	0.33
Distributions paid - March	32	0.37	24	0.25	75	0.24	85	0.26
Distributions payable - June	320	3.67	382	3.93	1,088	3.59	1,451	4.58
Total distributions	406		465		1,407		1,722	

	Growth Fund				Geared High Growth Fund ¹			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	109	0.34	80	0.24	-	-	-	-
Distributions paid - December	123	0.39	145	0.43	-	-	-	-
Distributions paid - March	154	0.48	92	0.29	-	-	-	-
Distributions payable - June	1,279	4.12	489	1.54	1,168	13.06	866	9.79
Total distributions	1,665		806		1,168		866	

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders

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

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

	Australian Share Fund				Fixed Income Fund			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders - liability								
Opening balance	785,617	776,071	1,249,048	1,277,942	983,465	935,784	1,020,179	954,110
Applications	118,343	39,822	148,780	53,081	198,744	159,824	207,922	164,999
Redemptions	(112,721)	(67,627)	(170,193)	(107,939)	(135,050)	(112,279)	(140,245)	(116,318)
Units issued upon reinvestment of distributions	37,038	37,351	61,121	64,013	262	136	270	138
Changes in net assets attributable to unitholders	-	-	(111,696)	(38,049)	-	-	3,903	17,250
Closing balance	828,277	785,617	1,177,060	1,249,048	1,047,421	983,465	1,092,029	1,020,179

	International Share Fund				Real Estate Fund			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders - liability								
Opening balance	1,076,919	1,039,629	1,617,390	1,460,425	452,352	507,610	663,005	647,393
Applications	93,274	114,804	154,281	172,636	42,617	31,474	65,265	48,667
Redemptions	(134,057)	(102,574)	(205,308)	(143,109)	(45,758)	(87,506)	(69,534)	(112,414)
Units issued upon reinvestment of distributions	9,314	25,060	12,202	30,620	2,095	774	2,115	769
Changes in net assets attributable to unitholders	-	-	(32,035)	96,818	-	-	(129,271)	78,590
Closing balance	1,045,450	1,076,919	1,546,530	1,617,390	451,306	452,352	531,580	663,005

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:

	Geared Australian Share Fund ^{1,2}				Balanced Fund			
	30 June 2020 Units	30 June 2019 Units	30 June 2020 \$	30 June 2019 \$	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
	Net assets attributable to unitholders - equity							
Opening balance	6,392,719	6,207,844	3,244,696	3,649,188	144,368	154,524	177,208	192,281
Applications	2,043,039	1,416,671	855,353	775,128	6,878	6,096	8,474	7,643
Redemptions	(2,887,538)	(2,263,894)	(1,381,221)	(1,271,874)	(9,671)	(17,229)	(11,933)	(21,227)
Units issued upon reinvestment of distributions	1,096,834	1,032,098	556,866	606,704	1,333	977	1,634	1,213
Distributions to unitholders	-	-	(138,688)	(556,866)	-	-	(7,609)	(12,862)
Profit/(loss)	-	-	(900,582)	42,416	-	-	(3,439)	10,160
Closing balance	6,645,054	6,392,719	2,236,424	3,244,696	142,908	144,368	164,335	177,208

	Conservative Fund				Diversified Fund			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
	Net assets attributable to unitholders - equity							
Opening balance	9,729	10,499	11,757	12,661	31,687	33,206	39,024	40,627
Applications	1,291	1,284	1,573	1,542	790	824	988	1,009
Redemptions	(2,388)	(2,111)	(2,918)	(2,559)	(2,516)	(2,481)	(3,130)	(3,052)
Units issued upon reinvestment of distributions	103	57	124	69	377	138	463	168
Distributions to unitholders	-	-	(406)	(465)	-	-	(1,407)	(1,722)
Profit/(loss)	-	-	(74)	509	-	-	(595)	1,994
Closing balance	8,735	9,729	10,056	11,757	30,338	31,687	35,343	39,024

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders (continued)

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

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

	Growth Fund		Growth Fund		Geared High Growth Fund ¹		Geared High Growth Fund ¹	
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders - equity								
Opening balance	31,872	33,259	48,635	48,832	8,848	9,564	7,094	8,025
Applications	2,573	2,228	3,895	3,283	1,446	1,100	1,124	928
Redemptions	(3,497)	(3,742)	(5,283)	(5,509)	(2,429)	(2,165)	(2,000)	(1,816)
Units issued upon reinvestment of distributions	132	127	200	185	1,081	349	866	293
Distributions to unitholders	-	-	(1,665)	(806)	-	-	(1,168)	(866)
Profit/(loss)	-	-	(1,239)	2,650	-	-	(390)	530
Closing balance	31,080	31,872	44,543	48,635	8,946	8,848	5,526	7,094

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

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital, 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.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

7 Financial assets at fair value through profit or loss

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Derivatives										
Futures	-	25	-	-	-	-	-	-	-	-
Foreign exchange forward contracts	4	18	-	-	-	-	1	-	-	-
Equities	1,088,670	1,159,729	-	-	1,523,357	1,524,685	501,690	627,687	-	-
Debt securities	13,460	23,866	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	27,580	1,061,300	990,749	-	-	6,527	6,324	3,953,414	6,945,930
Total financial assets at fair value through profit or loss	1,102,134	1,211,218	1,061,300	990,749	1,523,357	1,524,685	508,218	634,011	3,953,414	6,945,930
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted unit trusts	162,636	176,276	9,520	11,101	34,220	38,450	43,805	45,295	8,779	11,222
Total financial assets at fair value through profit or loss	162,636	176,276	9,520	11,101	34,220	38,450	43,805	45,295	8,779	11,222

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

8 Financial liabilities at fair value through profit or loss

	Australian Share Fund	
	30 June 2020 \$'000	30 June 2019 \$'000
Derivatives		
Options	6,393	9,082
Foreign exchange forward contracts	2	40
Total financial liabilities at fair value through profit or loss	6,395	9,122

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Dividends/distributions receivable	2,927	4,824	12,627	22,370	982	1,505	3,860	6,107	3,333	274,050
Interest receivable	7	26	-	1	1	2	-	1	3	11
Applications receivable	469	313	1,681	465	4,084	617	2,736	133	12,625	22,646
Other receivables	790	636	71	69	1,529	1,718	544	221	8,461	15,128
Total receivables	4,193	5,799	14,379	22,905	6,596	3,842	7,140	6,462	24,422	311,835

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Dividends/distributions receivable	3,504	3,927	141	226	612	796	1,013	1,070	255	266
Applications receivable	18	68	2	8	10	35	125	27	34	35
Other receivables	35	35	4	3	12	12	10	9	17	19
Total receivables	3,557	4,030	147	237	634	843	1,148	1,106	306	320

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Responsible Entity's fees payable	2,044	2,110	241	229	1,790	1,726	597	657	7,227	13,585
Performance fees payable	1,175	-	-	-	8,631	2,801	-	-	-	-
Other fees payable	141	154	32	38	174	196	81	92	10,568	10,562
Redemptions payable	31	4,295	250	4,061	279	4,877	118	1,846	4,075	7,891
Total payables	3,391	6,559	523	4,328	10,874	9,600	796	2,595	21,870	32,038

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	123	121	11	12	35	34	25	24	17	20
Other fees payable	28	31	25	27	24	27	28	31	10	11
Redemptions payable	179	60	-	-	-	-	-	-	11	11
Total payables	330	212	36	39	59	61	53	55	38	42

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

11 Borrowings

	Geared Australian Share Fund ^{1,2}		Geared High Growth Fund ¹	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$'000	30 June 2019 \$'000
Bank loans	2,237,141	3,756,537	2,879	3,908
Interest payable	329	897	-	1
	2,237,470	3,757,434	2,879	3,909

The carrying amount of the bank loans represents amount drawn under a cash advance facility, which approximates the fair value. The purpose of this arrangement is for gearing of the investments of the Schemes. As the Schemes commence wind-up process from 15 September 2020, their respective borrowings will be terminated and paid in full effective 30 September 2020.

Geared Australian Share Fund¹

The cash advance facility is limited to \$3 million (2019: \$5 million), however gearing is not allowed to exceed 60% of the Scheme's assets. The interest rate applicable to the cash advance facility is 2.10% at 30 June 2020 (2019: 2.90%).

Geared High Growth Fund¹

The cash advance facility is limited to \$4 million (2019: \$5 million), however gearing is not allowed to exceed 50% of the Scheme's assets. The interest rate applicable to the cash advance facility is 2.35% at 30 June 2020 (2019: 3.05%).

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'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)	(84,373)	40,164	28,329	53,218	96,258	167,864	(78,299)	86,723	(817,306)	188,554
(Increase)/decrease in dividends/distributions receivable	1,897	5,528	9,743	(15,208)	523	9,590	2,247	262	270,717	40,917
(Increase)/decrease in interest receivable	19	(3)	1	-	1	1	1	-	8	(7)
(Increase)/decrease in other receivables	(154)	(6)	(2)	(8)	189	(265)	(323)	(30)	6,667	2,730
Increase/(decrease) in payables	1,096	25	6	35	5,872	1,595	(71)	31	(6,352)	(2,657)
Net (gains)/losses on financial instruments at fair value through profit or loss	102,672	(10,908)	(131)	(17,259)	(101,666)	(160,934)	92,109	(69,281)	917,540	229,213
Net foreign exchange (gains)/losses	(22)	19	-	-	(3,220)	(3,572)	(405)	(305)	-	-
Net cash inflow/(outflow) from operating activities	21,135	34,819	37,946	20,778	(2,043)	14,279	15,259	17,400	371,274	458,750
(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	84,290	95,957	25,297	32,546	139,685	156,376	60,463	27,721	656,616	333,269
Deposits at call	69	6,141	-	-	-	-	-	-	-	-
Margin accounts	-	43	-	-	-	-	-	-	-	-
Total cash and cash equivalents	84,359	102,141	25,297	32,546	139,685	156,376	60,463	27,721	656,616	333,269
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	61,121	64,013	270	138	12,202	30,620	2,115	769	556,866	606,704
(d) Reconciliation of liabilities arising from financing activities										
Bank loans at the beginning of the year	-	-	-	-	-	-	-	-	3,756,537	4,200,346
Cash flows	-	-	-	-	-	-	-	-	(1,519,396)	(443,809)
Bank loans at the end of the year	-	-	-	-	-	-	-	-	2,237,141	3,756,537

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities										
Operating profit/(loss)	(3,439)	10,160	(74)	509	(595)	1,994	(1,239)	2,650	(291)	681
(Increase)/decrease in dividends/distributions receivable	423	1,934	85	5	184	72	57	618	11	187
(Increase)/decrease in other receivables	-	-	(1)	1	-	(1)	(1)	(1)	2	2
Increase/(decrease) in payables	(1)	13	(3)	7	(2)	10	(2)	11	(4)	(1)
Net (gains)/losses on financial instruments at fair value through profit or loss	7,783	(4,457)	221	(233)	1,305	(909)	2,480	(1,085)	597	(280)
Net cash inflow/(outflow) from operating activities	4,766	7,650	228	289	892	1,166	1,295	2,193	315	589
(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	4,512	8,255	745	840	1,636	1,243	922	2,778	526	369
Total cash and cash equivalents	4,512	8,255	745	840	1,636	1,243	922	2,778	526	369
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	1,634	1,213	124	69	463	168	200	185	866	293
(d) Reconciliation of liabilities arising from financing activities										
Bank loans at the beginning of the year	-	-	-	-	-	-	-	-	3,908	3,912
Cash flows	-	-	-	-	-	-	-	-	(1,029)	(4)
Bank loans at the end of the year	-	-	-	-	-	-	-	-	2,879	3,908

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

13 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:										
Audit of financial statements	15,077	14,928	8,968	8,879	15,077	14,928	15,077	14,928	8,389	8,306
Other regulatory assurance services	3,944	3,929	2,668	2,637	3,944	3,929	3,944	3,929	2,648	2,618
Total	19,021	18,857	11,636	11,516	19,021	18,857	19,021	18,857	11,037	10,924

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:										
Audit of financial statements	11,361	11,248	8,389	8,306	8,389	8,306	11,361	11,248	8,389	8,306
Other regulatory assurance services	2,751	2,718	2,648	2,618	2,648	2,618	2,751	2,718	2,648	2,618
Total	14,112	13,966	11,037	10,924	11,037	10,924	14,112	13,966	11,037	10,924

Audit fees were paid or payable by the Schemes.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

14 Related party transactions

Responsible Entity

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

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

Key management personnel

(a) Directors

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

A Apted (appointed 9 April 2020)

A Gazal (appointed 9 April 2020)

D Lane (appointed 20 April 2017)

R Adams (appointed 17 October 2018, resigned 9 April 2020)

C Green (appointed 17 October 2018, resigned 9 April 2020)

(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 2020.

14 Related party transactions (continued)

Transactions with key management personnel

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

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

Responsible Entity's fees and other transactions

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

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

Schemes offering a single unit class	Responsible Entity's fees	
	Base Fee	Investment
Geared Australian Share Fund ¹	2.98%	1.08%
Balanced Fund	1.49%	0.39%
Conservative Fund	1.49%	0.26%
Diversified Fund	1.49%	0.33%
Growth Fund	1.49%	0.42%
Geared High Growth Fund ¹	2.24%	0.71%

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

14 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	22,946,010	23,559,087	2,621,019	2,515,483	19,623,126	18,733,263	7,153,239	7,365,291	124,257	155,381
Responsible Entity's rebates	-	-	-	-	-	-	-	-	124,449	155,592
Responsible Entity's fees payable	2,043,504	2,110,463	241,131	229,481	1,790,047	1,725,682	597,010	657,128	7,227	13,585
Responsible Entity's rebates receivable	-	-	-	-	-	-	-	-	6,751	12,675

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	1,330,085	1,284,091	122,391	125,410	369,936	373,090	271,197	255,728	209,060	226,636
Responsible Entity's rebates	-	-	-	-	-	-	-	-	175,048	191,631
Responsible Entity's fees payable	123,041	121,213	10,978	11,575	34,610	33,721	25,360	24,355	16,504	19,979
Responsible Entity's rebates receivable	-	-	-	-	-	-	-	-	13,426	15,801

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

14 Related party transactions (continued)

Related party unitholdings

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

	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 2020 '000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Australian Share Fund										
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	288,971	37.4	36,279	5,041	9,049	257,733	35.0	17,476	17,190	26,361
Perpetual Charitable Endowment Fund	75,864	9.8	13,655	8,394	2,523	70,603	9.6	7,488	1,160	7,176
Perpetual Private Balanced Fund	24,329	3.2	5,344	5,460	820	24,445	3.3	1,598	3,901	2,544
Perpetual Private Conservative Fund	799	0.1	262	320	30	857	0.1	117	160	90
Perpetual Private Diversified Fund	3,383	0.4	1,428	1,736	121	3,691	0.5	226	341	374
Perpetual Private Geared Australian Share Fund	2,591	0.3	1,069	2,571	115	4,093	0.6	908	1,415	426
Perpetual Private Geared High Growth Fund	2,117	0.3	371	528	71	2,274	0.3	397	412	233
Perpetual Private Growth Fund	8,464	1.1	1,921	1,542	291	8,085	1.1	493	533	829
Australian Eligible Rollover Fund	38,807	5.0	3,689	19,575	1,438	54,693	7.4	4,117	5,670	5,521
Perpetual's Select Superannuation Fund	186,509	24.2	43,965	44,213	6,225	186,757	25.3	14,591	18,214	19,219
Unitholders - Class I										
Perpetual Super Wrap	75,108	39.9	17,437	7,879	2,512	65,550	40.1	9,494	8,335	5,895

14 Related party transactions (continued)

Related party unitholdings (continued)

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Fixed Income Fund										
Unitholders - Class R										
Perpetual Super Wrap	513	-	86	14	5	441	-	18	-	10
Perpetual's Select Superannuation Fund	7,564	0.7	3,819	5,490	87	9,235	0.9	2,198	4,119	220
Unitholders - Class I										
Perpetual Super Wrap	267,619	26.3	46,804	31,530	6,318	252,345	26.6	34,981	26,877	9,345
International Share Fund										
Unitholders - Class R										
Perpetual Private Balanced Fund	28,465	2.3	1,355	5,399	2,420	32,509	2.6	3,067	8,473	1,333
Perpetual Private Conservative Fund	819	0.1	112	419	71	1,126	0.1	188	311	46
Perpetual Private Diversified Fund	3,866	0.3	338	1,110	330	4,638	0.4	405	765	190
Perpetual Private Geared High Growth Fund	2,360	0.2	281	894	202	2,973	0.2	419	533	122
Perpetual Private Growth Fund	9,457	0.8	647	1,799	805	10,609	0.8	919	1,632	435
Perpetual Super Wrap	221	-	56	-	19	165	-	8	-	7
Perpetual's Select Superannuation Fund	201,131	16.6	10,998	42,130	17,131	232,263	18.6	23,832	40,337	9,493
Unitholders - Class I										
Perpetual Super Wrap	199,272	25.6	19,140	20,075	27,013	200,207	26.0	21,286	15,457	15,237

14 Related party transactions (continued)

Related party unitholdings (continued)

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
Real Estate Fund	30 June 2020 '000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	68,901	11.1	722	1,773	4,596	69,952	11.2	268	12,599	298
Perpetual Charitable Endowment Fund	19,481	3.1	1,472	-	1,292	18,009	2.9	75	6,169	81
Perpetual Private Balanced Fund	13,812	2.2	1,414	522	915	12,920	2.1	2,083	6,508	56
Perpetual Private Conservative Fund	439	0.1	132	60	29	367	0.1	2	188	2
Perpetual Private Diversified Fund	2,567	0.4	348	462	173	2,681	0.4	11	901	12
Perpetual Private Geared High Growth Fund	1,135	0.2	275	403	76	1,263	0.2	65	238	5
Perpetual Private Growth Fund	3,565	0.6	355	39	236	3,249	0.5	12	511	14
Perpetual Super Wrap	91	-	18	-	6	73	-	-	16	-
Perpetual's Select Superannuation Fund	84,619	13.6	7,437	13,029	5,693	90,211	14.5	2,432	23,397	379
Unitholders - Class I										
Perpetual Super Wrap	65,872	26.5	8,316	7,547	9,882	65,103	26.6	5,866	11,495	1,941
Geared Australian Share Fund ^{1,2}	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 2020	30 June 2020 %	30 June 2020	30 June 2020	30 June 2020 \$	30 June 2019	30 June 2019 %	30 June 2019	30 June 2019	30 June 2019 \$
Unitholders										
Perpetual's Select Superannuation Fund	6,376,251	96.0	2,762,475	2,549,616	133,078	6,163,392	96.4	2,085,745	1,933,637	536,889
Perpetual Investment Management Limited	-	-	313,225	(313,225)	-	-	-	330,261	(330,261)	-

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Related party unitholdings (continued)

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Balanced Fund										
Unitholders										
Perpetual Super Wrap	3,285	2.3	121	383	175	3,547	2.5	155	231	317

	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 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Conservative Fund										
Unitholders										
Perpetual Super Wrap	2,779	31.8	55	504	129	3,228	33.2	101	40	154

	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 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Diversified Fund										
Unitholders										
Perpetual Super Wrap	637	2.1	35	-	29	602	1.9	3	6	33

14 Related party transactions (continued)

Related party unitholdings (continued)

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
Growth Fund	30 June 2020 '000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Unitholders										
Perpetual Super Wrap	814	2.6	241	29	41	602	1.9	87	44	15

	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
Gearred High Growth Fund¹	30 June 2020 '000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Unitholders										
Perpetual's Select Superannuation Fund	8,548	95.6	2,159	2,076	1,116	8,465	95.7	1,110	1,819	828
Perpetual Investment Management Limited	-	-	295,749	(295,749)	-	-	-	306,177	(306,177)	-

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

14 Related party transactions (continued)

Investments

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

	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
Australian Share Fund	30 June 2020 '000	30 June 2020 \$'000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 \$'000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Investment												
Perpetual Pure Microcap Fund	-	-	-	477	20,425	-	19,948	27,580	16.9	2,477	-	1,249

	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
Fixed Income Fund	30 June 2020 '000	30 June 2020 \$'000	30 June 2020 %	30 June 2020 '000	30 June 2020 '000	30 June 2020 \$'000	30 June 2019 '000	30 June 2019 \$'000	30 June 2019 %	30 June 2019 '000	30 June 2019 '000	30 June 2019 \$'000
Investments												
Perpetual Institutional Cash Management Trust	8,742	8,742	0.8	448	25,000	322	33,294	33,294	2.4	25,294	-	431
Perpetual Private Credit Pooled Fund	535,984	533,596	72.0	56,937	-	9,993	479,047	478,693	66.6	16,906	-	13,606
Perpetual Private Duration Fixed Income Fund	510,333	518,962	74.0	62,967	24,112	20,362	471,478	478,762	66.7	15,706	11,528	23,996

14 Related party transactions (continued)

Investments (continued)

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

	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
International Share Fund												
Investment												
Perpetual Wholesale Global Share Fund	-	-	-	-	-	-	-	-	-	6,354	36,791	261
	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
		\$	%			\$		\$	%			\$
Geared Australian Share Fund^{1,2}												
Investment												
Perpetual Private Australian Share Fund	2,590,733	3,953,414	0.3	1,068,234	2,570,700	114,930	4,093,199	6,945,930	0.6	908,096	1,414,753	426,476

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments	held	units	units
Balanced Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	13,175	11,685	2.7	5,689	2,549	283	10,035	9,090	2.2	422	1,668	379
Perpetual Growth Alternatives Pool Fund	17,557	22,355	3.3	5,695	1,500	-	13,362	17,855	2.7	596	1,834	792
Perpetual Institutional Cash Management Trust	7,028	7,028	0.6	94	44	73	6,978	6,978	0.5	7,125	10,043	106
Perpetual Private Australian Share Fund	24,329	37,126	3.2	5,344	5,460	820	24,445	41,482	3.3	1,598	3,901	2,544
Perpetual Private Credit Pooled Fund	18,455	18,373	2.5	711	4,555	409	22,299	22,283	3.1	4,582	4,238	642
Perpetual Private Duration Fixed Income Fund	17,267	17,559	2.5	2,492	7,271	750	22,046	22,386	3.1	506	2,365	1,117
Perpetual Private International Share Fund	28,465	36,618	2.3	1,355	5,399	2,420	32,509	42,401	2.6	3,067	8,473	1,333
Perpetual Private Real Estate Fund	13,812	11,892	2.2	1,414	522	915	12,920	13,801	2.1	2,083	6,508	56

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable						
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Conservative Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	1,033	916	0.2	296	320	29	1,057	957	0.2	121	133	39
Perpetual Growth Alternatives Pool Fund	669	853	0.1	232	-	-	437	585	0.1	20	37	26
Perpetual Institutional Cash Management Trust	852	852	0.1	13	150	10	989	989	0.1	1,147	998	17
Perpetual Private Australian Share Fund	799	1,219	0.1	262	320	30	857	1,454	0.1	117	160	90
Perpetual Private Credit Pooled Fund	2,265	2,255	0.3	237	607	48	2,635	2,634	0.4	70	372	76
Perpetual Private Duration Fixed Income Fund	1,961	1,994	0.3	220	840	86	2,581	2,621	0.4	60	410	131
Perpetual Private International Share Fund	819	1,053	0.1	112	419	71	1,126	1,469	0.1	188	311	46
Perpetual Private Real Estate Fund	439	378	0.1	132	60	29	367	392	0.1	2	188	2

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Diversified Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	2,917	2,587	0.6	1,404	710	62	2,223	2,013	0.5	90	222	81
Perpetual Growth Alternatives Pool Fund	3,738	4,760	0.7	1,250	448	-	2,936	3,924	0.6	131	368	174
Perpetual Institutional Cash Management Trust	1,479	1,479	0.1	19	52	16	1,512	1,512	0.1	1,115	52	18
Perpetual Private Australian Share Fund	3,383	5,162	0.4	1,428	1,736	121	3,691	6,263	0.5	226	341	374
Perpetual Private Credit Pooled Fund	6,762	6,731	0.9	250	1,379	143	7,891	7,885	1.1	203	403	226
Perpetual Private Duration Fixed Income Fund	6,212	6,317	0.9	852	2,459	263	7,819	7,940	1.1	179	650	397
Perpetual Private International Share Fund	3,866	4,974	0.3	338	1,110	330	4,638	6,049	0.4	405	765	190
Perpetual Private Real Estate Fund	2,567	2,210	0.4	348	462	173	2,681	2,864	0.4	11	901	12

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
Growth Fund	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	2,612	2,317	0.5	1,667	600	48	1,545	1,399	0.3	60	-	54
Perpetual Growth Alternatives Pool Fund	5,363	6,829	1.0	1,934	800	-	4,229	5,651	0.8	189	147	251
Perpetual Institutional Cash Management Trust	2,042	2,042	0.2	27	10	21	2,025	2,025	0.1	42	9	41
Perpetual Private Australian Share Fund	8,464	12,916	1.1	1,921	1,542	291	8,085	13,719	1.1	493	533	829
Perpetual Private Credit Pooled Fund	2,447	2,436	0.3	84	125	51	2,488	2,486	0.3	62	-	71
Perpetual Private Duration Fixed Income Fund	1,997	2,030	0.3	611	1,279	88	2,665	2,706	0.4	60	46	135
Perpetual Private International Share Fund	9,457	12,166	0.8	647	1,799	805	10,609	13,838	0.8	919	1,632	435
Perpetual Private Real Estate Fund	3,565	3,069	0.6	355	39	236	3,249	3,471	0.5	12	511	14

14 Related party transactions (continued)

Investments (continued)

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

	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable						
Geared High Growth Fund¹	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Growth Alternatives Pool Fund	818	1,041	0.2	155	570	-	1,233	1,648	0.2	55	74	74
Perpetual Institutional Cash Management Trust	494	494	-	7	-	5	487	487	-	208	100	10
Perpetual Private Australian Share Fund	2,117	3,231	0.3	371	529	71	2,275	3,860	0.3	397	412	233
Perpetual Private International Share Fund	2,360	3,036	0.2	281	894	202	2,973	3,878	0.2	419	533	122
Perpetual Private Real Estate Fund	1,135	977	0.2	275	403	76	1,263	1,349	0.2	65	238	5

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

15 Structured entities

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

The Schemes consider all investments in unlisted unit trusts to be structured entities. The Schemes invest in 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 2020 \$'000	30 June 2019	30 June 2020 %	30 June 2019 %
Perpetual Private Credit Pooled Fund	533,596	478,693	72.0	66.6
Perpetual Private Duration Fixed Income Fund	518,962	478,762	74.0	66.7

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

16 Financial risk management

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

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

During the market disruption led by COVID-19 during the year, the Responsible Entity continued to follow its established policies and processes in monitoring the risks as discussed in this note.

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's investment strategy allows it to hold derivatives. The Scheme held foreign exchange forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date.

16 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	International Share Fund		Real Estate Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
United States Dollar	1,131,941	1,191,519	160,193	198,472
British Pound	78,002	76,695	26,566	22,207
Euro	167,283	167,776	29,760	24,026
Hong Kong Dollar	74,175	63,257	14,977	34,638
Japanese Yen	58,044	45,969	19,629	21,569
Other currencies	125,776	116,740	13,777	20,192
Total foreign currency exposure	1,635,221	1,661,956	264,902	321,104

The table presented in note 16(a)(iv) summarises sensitivity analysis to currency risk. This analysis is based on the assumption that the Australian dollar weakened and strengthened against the individual foreign currency to which the Schemes are significantly exposed to at the reporting date.

(ii) Interest rate risk

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

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

The Geared Australian Share Fund¹ and Geared High Growth Fund¹ also have interest rate risk exposures from their borrowings which charge a floating rate of interest. As the Schemes commence wind-up process from 15 September 2020, their respective borrowings will be terminated and paid in full effective 30 September 2020.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

16 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Financial assets										
Cash and cash equivalents	84,359	102,141	25,297	32,546	139,685	156,376	60,463	27,721	656,616	333,269
Cash management trusts	-	-	8,742	33,294	-	-	-	-	-	-
Debt securities	13,460	23,866	-	-	-	-	-	-	-	-
Financial liabilities										
Bank loans	-	-	-	-	-	-	-	-	2,237,141	3,756,537

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Cash and cash equivalents	4,512	8,255	745	840	1,636	1,243	922	2,778	526	369
Cash management trusts	7,028	6,978	852	989	1,479	1,512	2,042	2,025	494	487
Financial liabilities										
Bank loans	-	-	-	-	-	-	-	-	2,879	3,908

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

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

The Schemes are exposed to price risk predominantly through their investments for which prices in the future are uncertain. The price risk arising from investments in debt securities is impacted by movements in interest rates and is reflected in note 16(a)(ii).

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund^{1,2}	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Derivatives	(6,393)	(9,057)	-	-	-	-	-	-	-	-
Equities	1,088,670	1,159,729	-	-	1,523,357	1,524,685	501,690	627,687	-	-
Units in fixed income trusts	-	-	1,052,558	957,455	-	-	-	-	-	-
Units in equity and other trusts	-	27,580	-	-	-	-	6,527	6,324	3,953,414	6,945,930

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Units in fixed income trusts	35,932	44,669	4,249	5,255	13,048	15,825	4,466	5,192	-	-
Units in equity and other trusts	119,676	124,629	4,419	4,857	19,693	21,113	37,297	38,078	8,285	10,735

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

The following tables summarise the sensitivity of the operating profit and net assets attributable to unitholders to currency risk, interest rate risk and price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign currency exchange rates, interest rates and historical correlation of the Schemes' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including 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.

		Impact on operating profit/net assets attributable to unitholders				
		International Share Fund		Real Estate Fund		
Sensitivity rates		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	
Currency risk	USD					
		+10%	(113,194)	(119,152)	(16,019)	(19,847)
		-10%	113,194	119,152	16,019	19,847
GBP		+8%	(6,240)	(6,136)	(2,125)	(1,777)
		-8%	6,240	6,136	2,125	1,777
EUR		+8%	(13,383)	(13,422)	(2,381)	(1,922)
		-8%	13,383	13,422	2,381	1,922
HKD		+12%	(8,901)	(7,591)	(1,797)	(4,157)
		-12%	8,901	7,591	1,797	4,157
JPY		+10%	(5,804)	(4,597)	(1,963)	(2,157)
		-10%	5,804	4,597	1,963	2,157

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders									
		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ^{1,2}	
Sensitivity rates		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Interest rate risk	+0.25%	201	-	85	-	349	-	151	-	(3,951)	-
	-0.25%	(201)	-	(85)	-	(349)	-	(151)	-	3,951	-
	+0.5%	-	603	-	329	-	782	-	139	-	(17,116)
	-0.5%	-	(603)	-	(329)	-	(782)	-	(139)	-	17,116
Price risk											
Equities and equity related securities*	+10%	108,228	117,825	-	-	152,336	152,469	50,822	63,401	395,341	694,593
	-10%	(108,228)	(117,825)	-	-	(152,336)	(152,469)	(50,822)	(63,401)	(395,341)	(694,593)
Units in fixed income trusts	+5%	-	-	52,628	47,873	-	-	-	-	-	-
	-5%	-	-	(52,628)	(47,873)	-	-	-	-	-	-

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

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders									
		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund ¹	
Sensitivity rates		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Interest rate risk	+0.25%	29	-	4	-	8	-	7	-	(5)	-
	-0.25%	(29)	-	(4)	-	(8)	-	(7)	-	5	-
	+0.5%	-	76	-	9	-	14	-	24	-	(15)
	-0.5%	-	(76)	-	(9)	-	(14)	-	(24)	-	15
Price risk											
Units in fixed income trusts	+5%	1,797	2,233	212	263	652	791	223	260	-	-
	-5%	(1,797)	(2,233)	(212)	(263)	(652)	(791)	(223)	(260)	-	-
Units in equity and other trusts	+10%	11,968	12,463	442	486	1,969	2,111	3,730	3,808	829	1,074
	-10%	(11,968)	(12,463)	(442)	(486)	(1,969)	(2,111)	(3,730)	(3,808)	(829)	(1,074)

(b) Credit risk

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

The Schemes determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers relevant, historical analysis and forward looking information in determining any expected credit loss. At the reporting date, all receivables and cash and cash equivalents are held with approved counterparties and are either callable on demand or due within 30 days. Management consider the probability of default to be low, as a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes. The expected credit loss remained low during the period of market disruption led by COVID-19.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

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

The Schemes' investments in unlisted unit trusts expose them to the risk that the responsible entity or the manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Schemes. However, these investments are considered readily realisable unless the unlisted unit trusts are declared illiquid or suspended. The Schemes did not hold any units in unlisted unit trusts that have suspended their redemption during the market volatility resulting from COVID-19.

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.

During the period of market disruption led by COVID-19, management increased its monitoring frequency of the Schemes' liquidity including the large transaction flows requested by the unitholders and the liquidity of the underlying assets.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2020				30 June 2019		
	Carrying amount \$'000	Contractual cash flows less			Carrying amount \$'000	Contractual cash flows less	
At call \$'000		than 6 months \$'000	6-12 months \$'000	At call \$'000		than 6 months \$'000	
Australian Share Fund							
Non-derivative financial liabilities							
Distributions payable to unitholders of the Scheme	1,662	-	1,662	-	50,832	-	50,832
Payables for securities purchased	6,224	-	6,224	-	5,376	-	5,376
Payables	3,391	-	3,391	-	6,559	-	6,559
Net assets attributable to unitholders - liability	1,177,060	1,177,060	-	-	1,249,048	1,249,048	-
Total	1,188,337	1,177,060	11,277	-	1,311,815	1,249,048	62,767
Derivative financial liabilities							
Options	6,393	-	5,248	1,145	9,082	-	9,082
Foreign exchange forward contracts	2	-	-	-	40	-	-
Outflow	-	-	482	-	-	-	4,026
Inflow	-	-	(480)	-	-	-	(3,986)
Total	6,395	-	5,250	1,145	9,122	-	9,122

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2020			30 June 2019		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
Fixed Income Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	8,424	-	8,424	21,693	-	21,693
Payables	523	-	523	4,328	-	4,328
Net assets attributable to unitholders - liability	1,092,029	1,092,029	-	1,020,179	1,020,179	-
Total	1,100,976	1,092,029	8,947	1,046,200	1,020,179	26,021

	30 June 2020			30 June 2019		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
International Share Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	111,091	-	111,091	58,119	-	58,119
Payables for securities purchased	3,393	-	3,393	6,745	-	6,745
Payables	10,874	-	10,874	9,600	-	9,600
Net assets attributable to unitholders - liability	1,546,530	1,546,530	-	1,617,390	1,617,390	-
Total	1,671,888	1,546,530	125,358	1,691,854	1,617,390	74,464

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2020			30 June 2019		
	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000
Real Estate Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	41,142	-	41,142	2,707	-	2,707
Payables for securities purchased	7,062	-	7,062	3,717	-	3,717
Payables	796	-	796	2,595	-	2,595
Net assets attributable to unitholders - liability	531,580	531,580	-	663,005	663,005	-
Total	580,580	531,580	49,000	672,024	663,005	9,019

	30 June 2020			30 June 2019		
	Carrying amount \$	At call \$	Contractual cash flows less than 6 months \$	Carrying amount \$	At call \$	Contractual cash flows less than 6 months \$
Geared Australian Share Fund^{1,2}						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	138,688	-	138,688	556,866	-	556,866
Payables	21,870	-	21,870	32,038	-	32,038
Bank loans	2,237,141	-	2,237,141	3,756,537	-	3,756,537
Interest payable	329	-	329	897	-	897
Total	2,398,028	-	2,398,028	4,346,338	-	4,346,338

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2020			30 June 2019		
	Contractual cash flows less than 6 months			Contractual cash flows less than 6 months		
	Carrying amount \$'000	At call \$'000	\$'000	Carrying amount \$'000	At call \$'000	\$'000
Balanced Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	6,040	-	6,040	11,141	-	11,141
Payables	330	-	330	212	-	212
Total	6,370	-	6,370	11,353	-	11,353
Conservative Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	320	-	320	382	-	382
Payables	36	-	36	39	-	39
Total	356	-	356	421	-	421
Diversified Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,088	-	1,088	1,451	-	1,451
Payables	59	-	59	61	-	61
Total	1,147	-	1,147	1,512	-	1,512

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2020			30 June 2019		
	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000
Growth Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,279	-	1,279	489	-	489
Payables	53	-	53	55	-	55
Total	1,332	-	1,332	544	-	544
	30 June 2020			30 June 2019		
	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000
Geared High Growth Fund¹						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,168	-	1,168	866	-	866
Payables	38	-	38	42	-	42
Bank loans	2,879	-	2,879	3,908	-	3,908
Interest payable	-	-	-	1	-	1
Total	4,085	-	4,085	4,817	-	4,817

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

16 Financial risk management (continued)

(d) Fair value measurement

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

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

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

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

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. No impairment related to COVID-19 was included in the valuation of the Schemes' assets.

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

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

The Schemes did not hold significant values of financial instruments with fair value measurement using significant unobservable inputs (level 3) at 30 June 2020 and 30 June 2019.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Australian Share Fund	30 June 2020				30 June 2019			
	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								
Futures	-	-	-	-	25	-	-	25
Foreign exchange forward contracts	-	4	-	4	-	18	-	18
Equities	1,088,212	458	-	1,088,670	1,156,773	2,956	-	1,159,729
Debt securities	13,460	-	-	13,460	23,866	-	-	23,866
Unlisted unit trusts	-	-	-	-	27,580	-	-	27,580
Total	1,101,672	462	-	1,102,134	1,208,244	2,974	-	1,211,218
Financial liabilities at fair value through profit or loss								
Derivatives								
Options	6,393	-	-	6,393	9,082	-	-	9,082
Foreign exchange forward contracts	-	2	-	2	-	40	-	40
Total	6,393	2	-	6,395	9,082	40	-	9,122

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Fixed Income Fund	30 June 2020				30 June 2019			
	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	8,742	1,052,558	-	1,061,300	33,294	957,455	-	990,749
Total	8,742	1,052,558	-	1,061,300	33,294	957,455	-	990,749

International Share Fund	30 June 2020				30 June 2019			
	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	1,523,357	-	-	1,523,357	1,524,685	-	-	1,524,685
Total	1,523,357	-	-	1,523,357	1,524,685	-	-	1,524,685

Real Estate Fund	30 June 2020				30 June 2019			
	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	501,690	-	-	501,690	625,171	2,516	-	627,687
Unlisted unit trusts	-	6,527	-	6,527	-	6,324	-	6,324
Total	501,690	6,528	-	508,218	625,171	8,840	-	634,011

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Geared Australian Share Fund ^{1,2}	30 June 2020				30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Unlisted unit trusts	3,953,414	-	-	3,953,414	6,945,930	-	-	6,945,930
Total	3,953,414	-	-	3,953,414	6,945,930	-	-	6,945,930

Balanced Fund	30 June 2020				30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	92,664	69,972	-	162,636	104,663	71,613	-	176,276
Total	92,664	69,972	-	162,636	104,663	71,613	-	176,276

Conservative Fund	30 June 2020				30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	3,502	6,018	-	9,520	4,305	6,796	-	11,101
Total	3,502	6,018	-	9,520	4,305	6,796	-	11,101

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

² Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Diversified Fund	30 June 2020				30 June 2019			
	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	13,825	20,395	-	34,220	16,689	21,761	-	38,450
Total	13,825	20,395	-	34,220	16,689	21,761	-	38,450

Growth Fund	30 June 2020				30 June 2019			
	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	30,193	13,612	-	43,805	33,053	12,242	-	45,295
Total	30,193	13,612	-	43,805	33,053	12,242	-	45,295

Geared High Growth Fund ¹	30 June 2020				30 June 2019			
	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	7,738	1,041	-	8,779	9,574	1,648	-	11,222
Total	7,738	1,041	-	8,779	9,574	1,648	-	11,222

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels

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

There were no transfers between levels for the years ended 30 June 2020 and 30 June 2019.

Fair value measurements using significant unobservable inputs (level 3)

There was no movement in level 3 instruments for the year ended 30 June 2020.

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

Australian Share Fund

Opening balance
Gains/(losses) recognised in profit or loss

Closing balance

Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year

	30 June 2019	
	Equities	Total
	\$'000	\$'000
	523	523
	(523)	(523)
	-	-
	(523)	(523)

Real Estate Fund

Opening balance
Return of capital
Gains/(losses) recognised in profit or loss

Closing balance

Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year

	30 June 2019		
	Equities	Unlisted unit trusts	Total
	\$'000	\$'000	\$'000
	15	1,130	1,145
	(25)	(14)	(39)
	10	(1,116)	(1,106)
	-	-	-
	10	(1,116)	(1,106)

17 Offsetting financial assets and financial liabilities

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

	30 June 2020					30 June 2019				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
Australian Share Fund	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Margin accounts	-	-	-	-	-	43	-	43	-	43
Derivative financial instruments	4	-	4	-	4	43	-	43	(15)	28
Total	4	-	4	-	4	86	-	86	(15)	71
Financial liabilities										
Derivative financial instruments	(6,395)	-	(6,395)	-	(6,395)	(9,122)	-	(9,122)	15	(9,107)
Total	(6,395)	-	(6,395)	-	(6,395)	(9,122)	-	(9,122)	15	(9,107)

17 Offsetting financial assets and financial liabilities

	30 June 2020					30 June 2019				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
Real Estate Fund										
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 Scheme does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheets, but have been presented separately in this note.

18 Derivative financial instruments

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

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

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

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

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

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

(a) Futures

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

(b) Options

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

18 Derivative financial instruments (continued)

(c) Foreign exchange forward contracts

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

Risk exposures and fair value measurements

Information about the Schemes' exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 16. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

19 Events occurring after the reporting period

On 9 September 2020, the Responsible Entity resolved and approved that winding up of the Geared Australian Share Fund¹ and the Geared High Growth Fund¹ was in the best interests of their respective unitholders as there are limited growth opportunities for the Schemes and the Schemes have not attained the scale required for them to remain viable, particularly in terms of investment and operating cost efficiencies. The Responsible Entity will pay the final returns of capital to unitholders prior to 31 October 2020. The wind-up of the Geared Australian Share Fund and the Geared High Growth Fund commenced on 15 September 2020 and the Schemes will be terminated effective 21 October 2020.

The uncertainty around COVID-19 is expected to continue to present social and economic challenges in the next financial year 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 is closely monitoring the liquidity of the Schemes and any impact on the valuation of the Schemes' investment portfolios.

No other significant events have occurred since the reporting date which would have impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2020 or on the results and cash flows of the Schemes for the year ended on that date.

20 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2020 or 30 June 2019.

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.

Directors' declaration

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

Perpetual Private Australian Share Fund
Perpetual Private Fixed Income Fund
Perpetual Private International Share Fund
Perpetual Private Real Estate Fund
Perpetual Private Geared Australian Share Fund¹
Perpetual Private Balanced Fund
Perpetual Private Conservative Fund
Perpetual Private Diversified Fund
Perpetual Private Growth Fund
Perpetual Private Geared High Growth Fund¹

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

- (a) the annual financial statements and notes, set out on pages 8 to 75, 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 2020 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
23 September 2020

¹ Prepared on a basis other than going concern. Refer to note 2(a) to the financial statements.



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; and

Perpetual Private Balanced Fund;

Perpetual Private Conservative Fund;

Perpetual Private Diversified Fund;

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.

Opinions

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2020
- Statements of comprehensive income for the year then ended
- Statements of changes in equity, and Cash flow statements for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declarations.

Basis for opinions

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Reports

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

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

Auditor's responsibilities for the audits of the Financial Reports

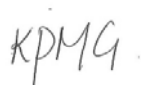
Our objective is:

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

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

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

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



KPMG



Jessica Davis

Partner

Sydney

23 September 2020



Independent Auditor's Report

To the respective unitholders of the following Scheme:

Perpetual Private Geared High Growth Fund; and

Perpetual Private Geared Australian Share Fund.

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

Opinions

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2020
- Statements of comprehensive income for the year then ended
- Statements of changes in equity, and Cash flow statements for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declarations.

Basis for opinions

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

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

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

Emphasis of matter – Basis of preparation

We draw attention to Note 2(a) in the Financial Report under heading 'Basis of preparation other than going concern - Geared Australian Share Fund and the Geared High Growth Fund', which describes the basis of preparation of the Financial Report of the Schemes. The Financial Reports have not been prepared on a going concern basis following the decision by the Responsible Entity to wind-up the Schemes on 21 October 2020. Perpetual Private Geared Australian Share Fund and Perpetual Private Geared High Growth Fund are no longer considered going concerns.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Reports

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

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

Auditor's responsibilities for the audits of the Financial Reports

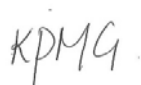
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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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

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



KPMG



Jessica Davis

Partner

Sydney

23 September 2020



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