

PERPETUAL PRIVATE INVESTMENT FUNDS

Annual Financial Report
30 June 2014

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

**Perpetual Private Investment Funds
(formerly known as Perpetual Select Investment Funds)**

Annual Financial Report

30 June 2014

Perpetual Private Investment Funds

Annual Financial Report

30 June 2014

Contents

	Page
Directors' report	2
Lead auditor's independence declaration	8
Statements of comprehensive income	9
Balance sheets	11
Statements of changes in equity	13
Cash flow statements	14
Notes to the financial statements	16
Directors' declaration	97
Independent auditor's report to the unitholders	98

Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Private Investment Funds (formerly known as Perpetual Select Investment Funds), present their report together with the annual financial report of Perpetual Private Investment Funds ("the Schemes") for the year ended 30 June 2014 and the auditor's report thereon.

Statutory name	Referred to in this document as	ARSN
Perpetual Private Australian Share Fund ¹	"Australian Share Fund"	098 776 026
Perpetual Private Balanced Fund ²	"Balanced Fund"	098 775 869
Perpetual Private Conservative Fund ³	"Conservative Fund"	100 476 882
Perpetual Private Diversified Fund ⁴	"Diversified Fund"	098 775 690
Perpetual Private Fixed Income Fund ⁵	"Fixed Income Fund"	098 776 179
Perpetual Private Geared Australian Share Fund ⁶	"Geared Australian Share Fund"	124 209 203
Perpetual Private Geared High Growth Fund ⁷	"Geared High Growth Fund"	124 209 463
Perpetual Private Growth Fund ⁸	"Growth Fund"	098 775 921
Perpetual Private International Share Fund ⁹	"International Share Fund"	098 776 115
Perpetual Private Real Estate Fund ¹⁰	"Real Estate Fund"	098 776 302

¹ Scheme formerly known as *Perpetual Select Australian Share Fund*.

² Scheme formerly known as *Perpetual Select Balanced Fund*.

³ Scheme formerly known as *Perpetual Select Conservative Fund*.

⁴ Scheme formerly known as *Perpetual Select Diversified Fund*.

⁵ Scheme formerly known as *Perpetual Select Fixed Income Fund*.

⁶ Scheme formerly known as *Perpetual Select Geared Australian Share Fund*.

⁷ Scheme formerly known as *Perpetual Select Geared High Growth Fund*.

⁸ Scheme formerly known as *Perpetual Select Growth Fund*.

⁹ Scheme formerly known as *Perpetual Select International Share Fund*.

¹⁰ Scheme formerly known as *Perpetual Select Real Estate Fund*.

Directors' report (continued)

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 12, 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:

G Foster (appointed 25 January 2013, Alternate for G Larkins)

M Gordon (appointed 28 March 2013)

J Hawkins (appointed 6 July 2012)

G Larkins (appointed 7 January 2013)

P Lynch (appointed 6 July 2012, Alternate for J Hawkins)

P Statham (appointed 9 September 2013, Alternate for M Gordon)

Principal activities

The Schemes invest and trade in bank deposits, listed equities, unlisted unit trusts and derivatives in accordance with the provisions of the Constitutions of the Schemes.

The objectives and investment strategy of the Schemes are disclosed in the Perpetual Select Investment Funds 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.

Directors' report (continued)

Review and results of operations

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

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

	Australian Share Fund¹	Australian Share Fund¹	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Operating profit before finance costs attributable to unitholders	183,390	200,172	23,406	31,416	826	943	3,160	3,755
Distribution paid and payable	24,411	33,892	3,652	5,715	271	324	842	917
Distribution (cents per unit)	4.19	3.95	1.90	2.85	2.33	3.16	2.38	2.94

¹ The distribution paid and payable, and distribution (cents per unit) values are the total of both classes of units. The split between the two classes is provided in Note 5.

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:

	Fixed Income Fund ¹	Fixed Income Fund ¹	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Operating profit before finance costs attributable to unitholders	6,241	6,864	1,376	1,228	1,777	1,951	5,554	6,862
Distribution paid and payable	4,243	8,187	184	187	213	233	611	935
Distribution (cents per unit)	3.45	2.69	2.24	2.52	1.61	1.72	1.55	2.35
	International Share Fund¹	International Share Fund¹	Real Estate Fund¹	Real Estate Fund¹				
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000				
Operating profit before finance costs attributable to unitholders	73,991	104,113	23,224	31,862				
Distribution paid and payable	214	805	3,484	3,935				
Distribution (cents per unit)	0.14	0.13	2.48	1.37				

¹ The distribution paid and payable, and distribution (cents per unit) values are the total of both classes of units. The split between the two classes is provided in Note 5.

Directors' report (continued)

Interests in the Schemes

The movement in units on issue in the Schemes during the year is disclosed in note 6 of the annual financial report.

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

Significant changes in state of affairs

On 2 January 2014 the Implemented Portfolios Product Disclosure Statement offered a new class of units in Perpetual Private Australian Share Fund, Perpetual Private Fixed Income Fund, Perpetual Private International Share Fund and Perpetual Private Real Estate Fund. The new unit class is referred to as Class I in this document. The existing unit class offered in the Perpetual Select Investment Funds Product Disclosure Statement is referred to as Class R in this document.

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

Likely developments and expected results of operations

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

- (i) the operations of the Schemes in future financial years;
- (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 Commonwealth, State or Territory law.

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 11 of the annual financial report.

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 is disclosed in note 11 of the annual financial report.

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 the kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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 8.

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



Director

Sydney
24 September 2014



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

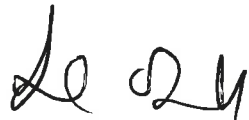
To: the directors of Perpetual Investment Management Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

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



KPMG



Michael O Connell
Partner

Sydney

24 September 2014

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2014

Statements of comprehensive income		Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	Notes	30 June 2014 \$'000	30 June 2013 '000	30 June 2014 \$'000	30 June 2013 '000	30 June 2014 \$'000	30 June 2013 '000	30 June 2014 \$'000	30 June 2013 '000	30 June 2014 \$'000	30 June 2013 '000
Investment income											
Dividend/distribution income		49,398	47,994	4,850	5,489	412	360	1,074	944	6,444	12,291
Interest income		2,720	3,057	45	173	15	20	21	39	96	96
Net gains/(losses) on financial instruments held at fair value through profit or loss	3	158,659	179,337	19,628	26,535	549	660	2,334	2,922	2,983	(1,324)
Net foreign exchange gains/(losses)		23	(46)	-	-	-	-	-	-	-	-
Other operating income		452	333	10	16	1	5	2	4	35	76
Total net investment income		211,252	230,675	24,533	32,213	977	1,045	3,431	3,909	9,558	11,139
Expenses											
Responsible Entity's fees	11	23,684	22,622	1,058	745	101	64	219	117	3,215	4,219
Other expenses	4	4,178	7,881	69	52	50	38	52	37	102	56
Total operating expenses		27,862	30,503	1,127	797	151	102	271	154	3,317	4,275
Operating profit		183,390	200,172	23,406	31,416	826	943	3,160	3,755	6,241	6,864
Finance costs attributable to unitholders											
Distributions to unitholders	5	24,411	33,892	3,652	5,715	271	324	842	917	4,243	8,187
Interest expense		-	4	-	-	-	-	-	-	-	-
Change in net assets attributable to unitholders (total comprehensive income)	6	158,979	166,276	19,754	25,701	555	619	2,318	2,838	1,998	(1,323)

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

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2014
(continued)

Statements of comprehensive income		Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	Notes	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Investment income											
Dividend/distribution income		205	230	190	244	846	959	9,991	9,703	8,882	6,609
Interest income		5	2	6	3	14	37	253	121	161	83
Net gains on financial instruments held at fair value through profit or loss	3	1,178	1,005	1,621	1,741	4,933	6,034	74,993	102,837	18,229	28,711
Net foreign exchange gains/(losses)		-	-	-	-	-	-	(357)	831	52	152
Other operating income		197	153	215	174	2	3	18	11	41	43
Total net investment income		1,585	1,390	2,032	2,162	5,795	7,033	84,898	113,503	27,365	35,598
Expenses											
Responsible Entity's fees	11	196	153	242	202	185	126	9,687	8,423	3,595	3,302
Other expenses	4	13	9	13	9	56	45	1,220	967	546	434
Total operating expenses		209	162	255	211	241	171	10,907	9,390	4,141	3,736
Operating profit		1,376	1,228	1,777	1,951	5,554	6,862	73,991	104,113	23,224	31,862
Finance costs attributable to unitholders											
Distributions to unitholders	5	184	187	213	233	611	935	214	805	3,484	3,935
Interest expense		211	188	180	168	1	-	24	6	-	-
Change in net assets attributable to unitholders (total comprehensive income)	6	981	853	1,384	1,550	4,942	5,927	73,753	103,302	19,740	27,927

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

**Perpetual Private Investment Funds
Balance sheets
As at 30 June 2014**

Balance sheets		Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	Notes	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Assets											
Cash and cash equivalents	13(b)	39,177	24,427	2,200	1,331	460	759	741	439	14,418	2,193
Financial assets held at fair value through profit or loss	7	1,131,961	1,057,307	207,482	200,052	13,053	10,922	37,075	31,507	162,503	311,635
Due from brokers - receivable for securities sold		2,596	6,814	2,000	-	-	-	50	-	-	-
Loans and receivables	9	15,971	8,837	1,804	2,849	203	108	514	293	10,070	4,690
Total assets		1,189,705	1,097,385	213,486	204,232	13,716	11,789	38,380	32,239	186,991	318,518
Liabilities											
Financial liabilities held at fair value through profit or loss	8	855	1,115	58	38	3	1	6	2	-	-
Distributions payable to unitholders of the Scheme	5	5,871	9,110	1,262	1,964	129	121	345	309	2,665	3,683
Due to brokers - payable for securities purchased		2,473	3,458	-	-	30	-	50	-	2,000	-
Sundry creditors and accruals		9,660	7,107	1,125	1,738	41	27	55	76	818	596
Total liabilities (excluding net assets attributable to unitholders)		18,859	20,790	2,445	3,740	203	149	456	387	5,483	4,279
Net assets attributable to unitholders - liability	6	1,170,846	1,076,595	211,041	200,492	13,513	11,640	37,924	31,852	181,508	314,239

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

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2014
(continued)

Balance sheets	Notes	Geared	Geared	Geared	Geared	Growth	Growth	International	International	Real	Real
		Australian	Australian	High	High			Share	Share	Estate	Estate
		Share	Share	High	High			Share	Share	Estate	Estate
		Fund	Fund	Growth	Growth			Fund	Fund	Fund	Fund
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Cash and cash equivalents	13(b)	438	284	411	174	801	627	40,544	11,187	12,895	2,313
Financial assets held at fair value through profit or loss	7	10,288	7,480	12,613	11,005	42,764	41,194	541,442	435,519	239,115	149,872
Due from brokers - receivable for securities sold		-	-	-	-	300	-	-	1,012	1,698	1,237
Loans and receivables	9	110	110	118	115	327	318	11,947	1,689	5,615	1,650
Total assets		10,836	7,874	13,142	11,294	44,192	42,139	593,933	449,407	259,323	155,072
Liabilities											
Financial liabilities held at fair value through profit or loss	8	-	-	-	-	15	3	-	-	129	1,718
Distributions payable to unitholders of the Scheme	5	184	187	213	233	218	384	214	805	3,275	360
Due to brokers - payable for securities purchased		-	-	-	-	-	-	6	1,133	2,633	1,608
Borrowings and interest bearing liabilities	10	5,219	3,773	4,233	3,585	-	-	-	-	-	-
Interest payable	10	54	44	45	39	-	-	-	-	-	-
Sundry creditors and accruals		75	31	91	40	47	95	12,208	1,089	1,251	639
Total liabilities (excluding net assets attributable to unitholders)		5,532	4,035	4,582	3,897	280	482	12,428	3,027	7,288	4,325
Net assets attributable to unitholders - liability	6	5,304	3,839	8,560	7,397	43,912	41,657	581,505	446,380	252,035	150,747

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

Statements of changes in equity

The Schemes' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. 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
Cash flow statements
For the year ended 30 June 2014

Cash flow statements	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Cash flows from operating activities</i>										
Dividends/distributions received	45,284	48,099	4,282	6,286	316	438	811	1,175	6,942	21,952
Interest received	2,709	3,087	46	168	15	19	21	38	77	91
Other income received	2,650	2,301	81	72	11	12	17	16	358	389
Responsible Entity's fees paid	(25,185)	(24,138)	(1,093)	(782)	(102)	(67)	(218)	(123)	(3,749)	(4,521)
Other expenses paid	(6,906)	(4,308)	(64)	(55)	(44)	(40)	(46)	(42)	(98)	(57)
Net cash inflow from operating activities	18,552	25,041	3,252	5,689	196	362	585	1,064	3,530	17,854
<i>Cash flows from investing activities</i>										
Proceeds from sale of investments	499,050	698,663	61,116	45,947	5,791	2,324	14,062	5,254	339,926	33,425
Payments for purchase of investments	(412,049)	(645,819)	(50,898)	(34,767)	(7,341)	(3,105)	(17,292)	(5,576)	(185,811)	(49,107)
Net cash inflow/(outflow) from investing activities	87,001	52,844	10,218	11,180	(1,550)	(781)	(3,230)	(322)	154,115	(15,682)
<i>Cash flows from financing activities</i>										
Proceeds from applications by unitholders	47,708	106,337	9,711	13,411	2,718	2,901	7,273	1,439	153,131	129,558
Payments for redemptions by unitholders	(138,184)	(235,621)	(18,467)	(25,503)	(1,550)	(1,681)	(3,758)	(1,368)	(298,028)	(131,278)
Distributions paid	(327)	(418)	(3,845)	(5,646)	(113)	(153)	(568)	(721)	(523)	(1,561)
Interest expense paid	-	(4)	-	-	-	-	-	-	-	-
Net cash (outflow)/inflow from financing activities	(90,803)	(129,706)	(12,601)	(17,738)	1,055	1,067	2,947	(650)	(145,420)	(3,281)
Net increase/(decrease) in cash and cash equivalents	14,750	(51,821)	869	(869)	(299)	648	302	92	12,225	(1,109)
Cash and cash equivalents at the beginning of the financial year	24,427	76,248	1,331	2,200	759	111	439	347	2,193	3,302
Cash and cash equivalents at the end of the financial year	39,177	24,427	2,200	1,331	460	759	741	439	14,418	2,193

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

Perpetual Private Investment Funds
Cash flow statements
For the year ended 30 June 2014
(continued)

Cash flow statements	Geared	Geared	Geared	Geared	Growth	Growth	International	International	Real	Real
	Australian	Australian	High Growth	High Growth			Share	Share	Estate	Estate
	Share Fund	Share Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Dividends/distributions received	217	219	211	234	801	983	9,561	9,381	6,779	6,883
Interest received	4	2	5	3	15	37	215	116	133	117
Other income received	221	145	246	169	18	13	638	605	319	345
Responsible Entity's fees paid	(205)	(161)	(256)	(215)	(194)	(130)	(10,253)	(8,922)	(3,743)	(3,630)
Other expenses paid	(11)	(11)	(12)	(11)	(51)	(47)	(902)	(1,043)	(567)	(446)
Net cash inflow/(outflow) from operating activities	226	194	194	180	589	856	(741)	137	2,921	3,269
Cash flows from investing activities										
Proceeds from sale of investments	1,794	2,400	1,422	2,754	10,835	8,619	422,581	216,783	96,002	110,762
Payments for purchase of investments	(3,424)	(2,795)	(1,409)	(2,355)	(7,760)	(11,160)	(453,655)	(175,604)	(167,967)	(82,031)
Net cash (outflow)/inflow from investing activities	(1,630)	(395)	13	399	3,075	(2,541)	(31,074)	41,179	(71,965)	28,731
Cash flows from financing activities										
Proceeds from applications by unitholders	1,818	845	1,444	1,327	4,476	7,589	126,023	119,575	92,035	50,789
Payments for redemptions by unitholders	(1,505)	(943)	(1,880)	(1,970)	(7,451)	(5,016)	(64,436)	(156,787)	(12,342)	(88,077)
Distributions paid	-	-	(8)	(5)	(514)	(610)	(63)	(25)	(45)	(376)
Interest expense paid	(201)	(145)	(174)	(131)	(1)	-	(24)	(6)	-	-
Proceeds from interest bearing securities	2,651	2,549	1,222	1,036	-	-	-	-	-	-
Repayments of interest bearing securities	(1,205)	(1,846)	(574)	(692)	-	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	1,558	460	30	(435)	(3,490)	1,963	61,500	(37,243)	79,648	(37,664)
Net increase/(decrease) in cash and cash equivalents	154	259	237	144	174	278	29,685	4,073	10,604	(5,664)
Cash and cash equivalents at the beginning of the financial year	284	25	174	30	627	349	11,187	6,790	2,313	7,877
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	-	-	(328)	324	(22)	100
Cash and cash equivalents at the end of the financial year	438	284	411	174	801	627	40,544	11,187	12,895	2,313

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

1 General information

This annual financial report covers Perpetual Private Investment Funds ("the Schemes"). The Schemes are registered managed investment schemes under the *Corporations Act 2001*. The Schemes are domiciled in Australia.

The Responsible Entity of the Schemes is Perpetual Investment Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 12, 123 Pitt Street, Sydney, NSW 2000.

The annual financial report was authorised for issue by the directors of the Responsible Entity on 24 September 2014. 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 these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Principles of preparation

This general purpose annual financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of 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. The annual financial report is presented in Australian dollars, which is the Schemes' functional currency.

Compliance with International Financial Reporting Standards

The annual financial report of the Schemes also complies with International Financial Reporting Standards ("IFRS") and interpretations as issued by the International Accounting Standards Board ("IASB").

Use of estimates and judgement

The preparation of an annual financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Summary of significant accounting policies (continued)

(b) Change in accounting policy

The Schemes have adopted the following standards and amendments for the 30 June 2014 reporting period:

- (i) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective for accounting periods beginning on or after 1 January 2013)

AASB 13 improves the consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards. If a financial asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

On adoption of the standard, the Schemes changed their valuation inputs for listed financial assets and liabilities to last traded prices to be consistent with the inputs used for the calculation of unit prices for applications and redemptions. The use of last traded prices is recognised as a standard pricing convention within the industry. In the prior year, the Schemes utilised bid and ask prices for its listed financial assets and liabilities respectively. The change in valuation inputs is considered to be a change in estimate in accordance with AASB 108.

As the standard is required to be adopted prospectively, adjustments to the fair values of financial instruments have been recognised at the beginning of the current period presented. The impact of this adjustment on the net gains/(losses) on financial instruments held at fair value through profit or loss is as follows:

	Australian Share Fund	Balanced Fund	Conservative Fund	Diversified Fund	Fixed Income Fund
	30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000
Movement in net gains/(losses) on financial instruments held at fair value through profit or loss	1,995	-	-	-	-

2 Summary of significant accounting policies (continued)

(b) Change in accounting policy (continued)

Geared Australian Share Fund	Geared High Growth Fund	Growth Fund	International Share Fund	Real Estate Fund
30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000	30 June 2014 \$'000

Movement in net gains/(losses) on financial instruments held at fair value through profit or loss	-	-	-	671	221
---	---	---	---	-----	-----

(ii) AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* (effective for accounting periods beginning on or after 1 January 2013)

AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* requires additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any impact on the Scheme's financial position or performance.

(iii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 (revised 2011) *Separate Financial Statements* and AASB 128 (revised 2011) *Investments in Associates and Joint Ventures* (effective for accounting periods beginning on or after 1 January 2013)

The Schemes have early adopted AASB 2013-5 *Amendments to Australian Accounting Standards - Investment Entities* (effective for accounting periods beginning on or after 1 January 2014) which makes amendments to AASB 10, AASB 12, and AASB 127 (the "Amendments").

AASB 10 *Consolidated financial statements* and Amendments to AASB 10:

The objective of AASB 10 is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to AASB 10 define an investment entity and introduce an exemption from the consolidation requirements for investment entities. The adoption of these standards has had no impact on the Schemes.

2 Summary of significant accounting policies (continued)

(b) Change in accounting policy (continued)

Investment entity

The Schemes have multiple unrelated unitholders and hold multiple investments directly or indirectly. Ownership interests in the interfunding investments are in the form of units which are classified as debt in accordance with AASB 132 and which are exposed to variable returns from changes in the fair value of the Schemes' net assets. The Schemes have been deemed to meet the definition of an investment entity per AASB 10 as the following conditions exist:

- (a) The Schemes have obtained funds for the purpose of providing unitholders with investment management services;
- (b) The Schemes' business purpose, which is communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) The performance of investments made through the Schemes is measured and evaluated on a fair value basis.

The Schemes meet the typical characteristics of an investment entity.

AASB 12 *Disclosure of interests in other entities* and Amendments to AASB 12:

The standard requires entities to disclose significant judgements and assumptions made in determining whether the entity controls, jointly controls, significantly influences or has some other interests in other entities. Entities will also be required to provide more disclosures around certain 'structured entities'. The amendments also introduce new disclosure requirements related to investment entities. Adoption of the standard has impacted certain disclosures in the Schemes' annual financial report, but has had no impact to the Schemes' financial position or results of operations.

AASB 127 (revised 2011) *Separate financial statements* and Amendments to AASB 127:

The objective of the standard is to prescribe the accounting and disclosure requirements when an entity prepares separate financial statements. The amendments require an investment entity as defined in AASB 10 to present separate financial statements as its only financial statements in the case where it measures all of its subsidiaries at fair value through profit or loss and to disclose that fact. The adoption of this standard has had no impact on the Schemes.

AASB 11 *Joint arrangements* and AASB 128 (revised 2011) *Investments in Associates and Joint Ventures* and related amendments have also been adopted, however, these standards have had no impact on the Schemes.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2013 that would be expected to have a material impact on the Schemes.

2 Summary of significant accounting policies (continued)

(c) New accounting standards and interpretation

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been early adopted by the Schemes. The assessment of the impact of these new standards (to the extent relevant to the Schemes) and interpretations is set out below:

AASB 9 Financial Instruments (2009 or 2010 version), *AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9*, *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, *AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures* and *AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments* (effective from 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is available for early adoption.

Management does not expect this to have a significant impact on the recognition and measurement of the Schemes' financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Schemes do not apply hedge accounting.

The Schemes have not yet decided when to adopt AASB 9.

(d) Financial instruments

(i) Classification

The Schemes' investments are classified at fair value through profit or loss. They comprise:

- Financial instruments held for trading

Derivative financial instruments such as futures, foreign exchange forward contracts, options and interest rate swaps are included under this classification. The Schemes do not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial papers.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Schemes' documented investment strategies. The Schemes' policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Recognition/derecognition

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

Investments are derecognised when the right to receive cash flows from the investments has expired or the Schemes have transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Schemes measure a financial instrument at their fair value. Transaction costs of financial assets and liabilities held at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statements of comprehensive income within net gains/(losses) on financial instruments held at fair value through 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.

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Schemes use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans and receivables

Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the statements of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Measurement (continued)

Loans and receivables (continued)

If, in a subsequent period, the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statements of comprehensive income.

Other financial assets and liabilities

Management considers that the carrying amount of cash and cash equivalents, other receivables and amounts due from brokers approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount 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.

(e) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities. The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption price) at the balance sheet date if unitholders exercised their right to redeem units in the Schemes.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability on the balance sheets.

2 Summary of significant accounting policies (continued)

(g) Investment income

Interest income is recognised in the statements of comprehensive income for all interest bearing financial instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(d).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Schemes estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but do not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date.

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlements basis.

Other income is brought to account on an accruals basis.

(h) Expenses

All expenses, including Responsible Entity's fees, are recognised in the statements of comprehensive income on an accruals basis.

Interest expense is recognised in the statements of comprehensive income as it accrues, using the effective interest method.

(i) Income tax

Under current legislation, the Schemes are not subject to income tax as unitholders are presently entitled to the income of the Schemes, provided the taxable income of the Schemes is fully distributed either by way of cash or investment.

Realised net capital losses cannot be distributed to unitholders but are carried forward by the Schemes to be offset against any realised capital gains in future years.

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

2 Summary of significant accounting policies (continued)

(j) Distributions

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income to unitholders by cash or reinvestment. The distributions are recognised in the statements of comprehensive income as finance costs attributable to unitholders.

(k) Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statements of comprehensive income.

(l) Goods and Services Tax (GST)

The GST incurred on the cost of various services provided to the Schemes by third parties such as Responsible Entity's fees, has been passed onto the Schemes. The Schemes qualify for Reduced Input Tax Credits (RITC) hence Responsible Entity's fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheets. Cash flows relating to GST are included in the cash flow statements on a gross basis.

(m) 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 the net foreign exchange gains/(losses) in the statements of comprehensive income.

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 the statements of comprehensive income on a net basis within net foreign exchange gains/(losses) on financial instruments held at fair value through profit or loss.

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Net unrealised (losses)/gains on financial instruments held for trading	(228)	(602)	(255)	199	(16)	12
Net unrealised gains on financial instruments designated at fair value through profit or loss	100,108	140,180	16,055	20,155	485	489
Net realised gains on financial instruments held for trading	3,967	7,274	141	944	3	46
Net realised gains on financial instruments designated at fair value through profit or loss	54,812	32,485	3,687	5,237	77	113
Net gains on financial instruments held at fair value through profit or loss	158,659	179,337	19,628	26,535	549	660

	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund	Geared Australian Share Fund	Geared Australian Share Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Net unrealised (losses)/gains on financial instruments held for trading	(46)	43	-	-	-	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	2,145	2,159	809	(1,017)	909	986
Net realised gains on financial instruments held for trading	51	97	-	-	-	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	184	623	2,174	(307)	269	19
Net gains/(losses) on financial instruments held at fair value through profit or loss	2,334	2,922	2,983	(1,324)	1,178	1,005

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Net unrealised (losses)/gains on financial instruments held for trading	-	-	(51)	31	-	(2)	2,499	(2,603)
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	1,319	1,633	4,334	5,327	(19,255)	83,628	5,957	22,456
Net realised gains/(losses) on financial instruments held for trading	-	-	51	140	(7)	28	751	(2,275)
Net realised gains on financial instruments designated at fair value through profit or loss	302	108	599	536	94,255	19,183	9,022	11,133
Net gains on financial instruments held at fair value through profit or loss	1,621	1,741	4,933	6,034	74,993	102,837	18,229	28,711

4 Other expenses

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Performance fees	2,454	5,702	-	-	-	-	-	-	-	-
Transaction costs	1,288	1,824	4	4	-	-	1	1	-	-
Sundry expenses	436	355	65	48	50	38	51	36	102	56
Total	4,178	7,881	69	52	50	38	52	37	102	56

	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transaction costs	-	-	-	-	1	1	568	338	394	241
Sundry expenses	13	9	13	9	55	44	652	629	152	193
Total	13	9	13	9	56	45	1,220	967	546	434

Sundry expenses include audit fees, custody fees, printing fees and other expenses incurred in the operation of the Schemes.

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund	Australian Share Fund	Australian Share Fund	Australian Share Fund	Australian Share Fund	Australian Share Fund	Australian Share Fund	Australian Share Fund
	30 June 2014 Class R \$'000	30 June 2014 Class R CPU	30 June 2013 Class R \$'000	30 June 2013 Class R CPU	30 June 2014 Class I \$'000	30 June 2014 Class I CPU	30 June 2013 Class I \$'000	30 June 2013 Class I CPU
Distributions paid - September	6,161	0.76	6,709	0.76	-	-	-	-
Distributions paid - December	8,051	1.03	10,688	1.22	-	-	-	-
Distributions paid - March	4,326	0.55	7,385	0.86	2	0.43	-	-
Distributions payable - June	5,794	0.75	9,110	1.11	77	0.67	-	-
Total distributions	24,332		33,892		79		-	
	Balanced Fund	Balanced Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Conservative Fund	Conservative Fund
	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU
Distributions paid - September	957	0.49	1,009	0.48	89	0.83	70	0.73
Distributions paid - December	1,288	0.66	1,074	0.53	40	0.34	48	0.49
Distributions paid - March	145	0.08	1,668	0.84	13	0.11	85	0.84
Distributions payable - June	1,262	0.67	1,964	1.00	129	1.05	121	1.10
Total distributions	3,652		5,715		271		324	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Diversified Fund	Diversified Fund	Diversified Fund	Diversified Fund				
	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU				
Distributions paid - September	223	0.63	218	0.70				
Distributions paid - December	216	0.61	149	0.48				
Distributions paid - March	58	0.16	241	0.78				
Distributions payable - June	345	0.98	309	0.98				
Total distributions	842		917					

	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund	Fixed Income Fund
	30 June 2014 Class R \$'000	30 June 2014 Class R CPU	30 June 2013 Class R \$'000	30 June 2013 Class R CPU	30 June 2014 Class I \$'000	30 June 2014 Class I CPU	30 June 2013 Class I \$'000	30 June 2013 Class I CPU
Distributions paid - September	1,072	0.34	2,105	0.70	-	-	-	-
Distributions paid - December	-	-	1,573	0.53	-	-	-	-
Distributions paid - February	503	0.15	-	-	-	-	-	-
Distributions paid - March	2	-	826	0.28	1	0.03	-	-
Distributions payable - June	706	1.40	3,683	1.18	1,959	1.53	-	-
Total distributions	2,283		8,187		1,960		-	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Geared Australian Share Fund	Geared Australian Share Fund	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Geared High Growth Fund	Geared High Growth Fund
	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU
Distributions paid - September	-	-	-	-	-	-	-	-
Distributions paid - December	-	-	-	-	-	-	-	-
Distributions paid - March	-	-	-	-	-	-	-	-
Distributions payable - June	184	2.24	187	2.52	213	1.61	233	1.72
Total distributions	184		187		213		233	
	Growth Fund	Growth Fund	Growth Fund	Growth Fund				
	30 June 2014 \$'000	30 June 2014 CPU	30 June 2013 \$'000	30 June 2013 CPU				
Distributions paid - September	109	0.27	103	0.26				
Distributions paid - December	261	0.64	151	0.38				
Distributions paid - March	23	0.06	297	0.75				
Distributions payable - June	218	0.58	384	0.95				
Total distributions	611		935					

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	International Share Fund	International Share Fund	International Share Fund	International Share Fund	International Share Fund	International Share Fund	International Share Fund	International Share Fund
	30 June 2014 Class R \$'000	30 June 2014 Class R CPU	30 June 2013 Class R \$'000	30 June 2013 Class R CPU	30 June 2014 Class I \$'000	30 June 2014 Class I CPU	30 June 2013 Class I \$'000	30 June 2013 Class I CPU
Distributions paid - September	-	-	-	-	-	-	-	-
Distributions paid - December	-	-	-	-	-	-	-	-
Distributions paid - March	-	-	-	-	-	-	-	-
Distributions payable - June	54	0.01	805	0.13	160	0.13	-	-
Total distributions	54		805		160		-	
	Real Estate Fund	Real Estate Fund	Real Estate Fund	Real Estate Fund	Real Estate Fund	Real Estate Fund	Real Estate Fund	Real Estate Fund
	30 June 2014 Class R \$'000	30 June 2014 Class R CPU	30 June 2013 Class R \$'000	30 June 2013 Class R CPU	30 June 2014 Class I \$'000	30 June 2014 Class I CPU	30 June 2013 Class I \$'000	30 June 2013 Class I CPU
Distributions paid - September	100	0.03	564	0.19	-	-	-	-
Distributions paid - December	109	0.04	25	0.01	-	-	-	-
Distributions paid - March	-	-	1,117	0.38	-	-	-	-
Distributions paid - May	-	-	1,869	0.64	-	-	-	-
Distributions payable - June	2,431	0.85	360	0.15	844	1.56	-	-
Total distributions	2,640		3,935		844		-	

6 Net assets attributable to unitholders

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

	Australian Share Fund ¹		Australian Share Fund ¹		Balanced Fund		Balanced Fund	
	30 June 2014 Units '000	30 June 2013 Units '000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 Units '000	30 June 2013 Units '000	30 June 2014 \$'000	30 June 2013 \$'000
Net assets attributable to unitholders								
Opening balance	820,106	892,713	1,076,595	1,009,664	196,864	208,433	200,492	186,101
Applications	37,752	73,554	50,880	93,755	7,451	15,356	8,088	14,981
Redemptions	(97,218)	(172,905)	(142,931)	(226,247)	(16,341)	(27,725)	(17,802)	(27,037)
Units issued upon reinvestment of distributions	19,276	26,744	27,323	33,147	483	800	509	746
Change in net assets attributable to unitholders	-	-	158,979	166,276	-	-	19,754	25,701
Closing balance	779,916	820,106	1,170,846	1,076,595	188,457	196,864	211,041	200,492
	Conservative Fund		Conservative Fund		Diversified Fund		Diversified Fund	
	30 June 2014 Units '000	30 June 2013 Units '000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 Units '000	30 June 2013 Units '000	30 June 2014 \$'000	30 June 2013 \$'000
Net assets attributable to unitholders								
Opening balance	11,048	9,683	11,640	9,577	31,455	30,979	31,852	28,535
Applications	2,509	2,793	2,716	2,910	6,893	1,486	7,226	1,493
Redemptions	(1,437)	(1,636)	(1,548)	(1,676)	(3,522)	(1,396)	(3,710)	(1,381)
Units issued upon reinvestment of distributions	140	208	150	210	230	386	238	367
Change in net assets attributable to unitholders	-	-	555	619	-	-	2,318	2,838
Closing balance	12,260	11,048	13,513	11,640	35,056	31,455	37,924	31,852

¹ There are two classes of units in the Scheme - Class R and Class I (2013: there were no separate classes of units and each unit has the same rights attached to it as all units of the Scheme)

6 Net assets attributable to unitholders (continued)

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

	Fixed Income Fund ¹		Fixed Income Fund ¹		Geared Australian Share Fund		Geared Australian Share Fund	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	Units '000	Units '000	\$'000	\$'000	Units'000	Units'000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	312,833	299,951	314,239	302,315	7,398	7,389	3,839	2,997
Applications	155,046	119,403	159,070	121,584	2,748	1,553	1,839	808
Redemptions	(294,601)	(121,785)	(298,537)	(123,767)	(2,321)	(1,688)	(1,542)	(878)
Units issued upon reinvestment of distributions	4,711	15,264	4,738	15,430	359	144	187	59
Change in net assets attributable to unitholders	-	-	1,998	(1,323)	-	-	981	853
Closing balance	177,989	312,833	181,508	314,239	8,184	7,398	5,304	3,839
	Geared High Growth Fund		Geared High Growth Fund		Growth Fund		Growth Fund	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	13,533	14,617	7,397	6,389	40,191	36,935	41,657	32,758
Applications	2,196	2,392	1,480	1,241	4,056	8,076	4,440	7,643
Redemptions	(2,947)	(3,798)	(1,926)	(1,923)	(6,618)	(5,256)	(7,390)	(5,077)
Units issued upon reinvestment of distributions	411	322	225	140	245	436	263	406
Change in net assets attributable to unitholders	-	-	1,384	1,550	-	-	4,942	5,927
Closing balance	13,193	13,533	8,560	7,397	37,874	40,191	43,912	41,657

¹ There are two classes of units in the Scheme - Class R and Class I (2013: there were no separate classes of units and each unit has the same rights attached to it as all units of the Scheme)

6 Net assets attributable to unitholders (continued)

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

	International Share Fund ¹		International Share Fund ¹		Real Estate Fund ¹		Real Estate Fund ¹	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	614,441	677,506	446,380	384,851	247,745	303,550	150,747	157,423
Applications	133,092	173,681	135,676	108,647	111,011	80,177	93,853	46,806
Redemptions	(92,102)	(237,228)	(75,046)	(150,695)	(19,960)	(142,625)	(12,829)	(85,378)
Units issued upon reinvestment of distributions	1,019	482	742	275	858	6,643	524	3,969
Change in net assets attributable to unitholders	-	-	73,753	103,302	-	-	19,740	27,927
Closing balance	656,450	614,441	581,505	446,380	339,654	247,745	252,035	150,747

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual share in the Schemes and does not extend to a right to the underlying assets of the Schemes.

Applications receivable and redemptions payable

At the reporting date, applications include applications receivable and redemptions include redemptions payable. The applications receivable and redemptions payable have been included in the loans and receivables, and sundry creditors and accruals, respectively.

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Applications receivable	3,478	306	73	1,696	21	23
Redemptions payable	4,846	99	972	1,637	3	5

¹ There are two classes of units in the Scheme - Class R and Class I (2013: there were no separate classes of units and each unit has the same rights attached to it as all units of the Scheme)

6 Net assets attributable to unitholders (continued)

Applications receivable and redemptions payable (continued)

	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Applications receivable	28	76	6,387	448	36	15	63	27
Redemptions payable	-	48	703	194	45	8	58	12

	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Applications receivable	67	103	9,842	189	1,910	92
Redemptions payable	-	61	10,750	140	804	317

Capital risk management

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

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

7 Financial assets held at fair value through profit or loss

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000
Held for trading						
Foreign exchange forward contracts	161	-	-	-	-	-
Futures	2	49	-	235	-	14
	163	49	-	235	-	14
Designated at fair value through profit or loss						
Listed equities	1,089,482	1,027,996	-	-	-	-
Fixed interest securities	773	784	-	-	-	-
Floating rate notes	18,397	25,366	-	-	-	-
Unlisted unit trusts	22,826	-	207,482	199,817	13,053	10,908
Unlisted equities	320	3,112	-	-	-	-
	1,131,798	1,057,258	207,482	199,817	13,053	10,908
Total financial assets held at fair value through profit or loss	1,131,961	1,057,307	207,482	200,052	13,053	10,922
					Geared Australian Share Fund	Geared Australian Share Fund
	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund		
	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000
Held for trading						
Futures	-	42	-	-	-	-
	-	42	-	-	-	-
Designated at fair value through profit or loss						
Unlisted unit trusts	37,075	31,465	162,503	311,635	10,288	7,480
	37,075	31,465	162,503	311,635	10,288	7,480
Total financial assets held at fair value through profit or loss	37,075	31,507	162,503	311,635	10,288	7,480

7 Financial assets held at fair value through profit or loss (continued)

	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000	Fair value 30 June 2014 \$'000	Fair value 30 June 2013 \$'000
Held for trading								
Foreign exchange forward contracts	-	-	-	-	-	-	975	65
Futures	-	-	-	39	-	-	-	-
	-	-	-	39	-	-	975	65
Designated at fair value through profit or loss								
Listed equities	-	-	-	-	524,087	435,519	233,900	138,448
Unlisted unit trusts	12,613	11,005	42,764	41,155	17,355	-	4,240	11,359
	12,613	11,005	42,764	41,155	541,442	435,519	238,140	149,807
Total financial assets held at fair value through profit or loss	12,613	11,005	42,764	41,194	541,442	435,519	239,115	149,872

8 Financial liabilities held at fair value through profit or loss

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Held for trading								
Foreign exchange forward contracts	3	-	-	-	-	-	-	-
Futures	-	-	58	38	3	1	6	2
Options	852	1,115	-	-	-	-	-	-
Total financial liabilities held at fair value through profit or loss	855	1,115	58	38	3	1	6	2

	Growth Fund	Growth Fund	Real Estate Fund	Real Estate Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Held for trading				
Foreign exchange forward contracts	-	-	129	1,718
Futures	15	3	-	-
Total financial liabilities held at fair value through profit or loss	15	3	129	1,718

9 Loans and receivables

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Dividends/distributions receivable	11,609	7,495	1,692	1,124	177	81
Interest receivable	86	75	4	5	1	1
Applications receivable	3,478	306	73	1,696	21	23
Other receivables	798	961	35	24	4	3
Total loans and receivables	15,971	8,837	1,804	2,849	203	108

	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund	Geared Australian Share Fund	Geared Australian Share Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Dividends/distributions receivable	475	212	3,630	4,128	51	63
Interest receivable	1	1	27	8	1	-
Applications receivable	28	75	6,387	448	36	15
Other receivables	10	5	26	106	22	32
Total loans and receivables	514	293	10,070	4,690	110	110

9 Loans and receivables (continued)

	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Dividends/distributions receivable	31	52	252	207	1,312	882	3,562	1,459
Interest receivable	1	-	-	1	58	20	33	5
Applications receivable	63	27	67	103	9,842	189	1,910	92
Other receivables	23	36	8	7	735	598	110	94
Total loans and receivables	118	115	327	318	11,947	1,689	5,615	1,650

10 Borrowings and interest bearing liabilities

	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund
	Carrying amount 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Carrying amount 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000
Bank loan	5,219	3,773	4,233	3,585
Loan interest payable	54	44	45	39
	5,273	3,817	4,278	3,624

10 Borrowings and interest bearing liabilities (continued)

Geared Australian Share Fund

The 'bank loan' represents a cash advance facility. This arrangement is available to the Scheme for the purpose of gearing the investments of the Scheme. This cash advance facility is limited to \$6 million (2013: \$5 million), however, gearing is not allowed to exceed 60% of the Scheme's assets. The rate applicable to the cash advance facility is 4.36% at 30 June 2014 (2013: 4.75%).

The fair value as at 30 June 2014 of the bank loan amounted to \$5,219,228 (2013: \$3,773,340).

Geared High Growth Fund

The 'bank loan' represents a cash advance facility. This arrangement is available to the Scheme for the purpose of gearing the investments of the Scheme. This cash advance facility is limited to \$5 million (2013: \$5 million), however, gearing is not allowed to exceed 50% of the Scheme's assets. The rate applicable to the cash advance facility is 4.36% at 30 June 2014 (2013: 4.75%). All borrowing costs are expensed as incurred.

The fair value as at 30 June 2014 of the bank loan amounted to \$4,233,229 (2013: \$3,585,321).

11 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.

11 Related party transactions (continued)

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Perpetual Investment Management Limited at anytime during the financial year or since the end of the year and up to the date of this report as follows:

G Foster (appointed 25 January 2013, Alternate for G Larkins)
M Gordon (appointed 28 March 2013)
J Hawkins (appointed 6 July 2012)
G Larkins (appointed 7 January 2013)
P Lynch (appointed 6 July 2012, Alternate for J Hawkins)
P Statham (appointed 9 September 2013, Alternate for M Gordon)

(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 Scheme investors.

At 30 June 2014, no key management personnel held units in the Schemes (2013: nil).

Key management personnel loan disclosures

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

11 Related party transactions (continued)

Other transactions within the Schemes

Apart from those details disclosed in this note, no key management personnel have entered into any transactions with the Schemes during the financial year and there were no material balances involving key management personnel's interests outstanding at year end.

Responsible Entity's fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Schemes' Constitutions (as amended). The Responsible Entity's fees comprise of the base fee and an investment management fee, which are calculated as a percentage of the net asset values of the Schemes (except for Geared Australian Share Fund and Geared High Growth Fund which Responsible Entity's fees are calculated as a percentage of gross asset values).

For the year ended 30 June 2014, the Schemes incurred the following Responsible Entity's fees which are expressed as a percentage of net asset values per annum (after taking account of the Goods and Services Tax and Reduced Input Tax Credits):

Schemes	Responsible Entity's fees	
	Base Fee	Investment Management Fee
Private Australian Share Fund	1.49%	0.54%
Private Balanced Fund	1.49%	0.39%
Private Conservative Fund	1.49%	0.26%
Private Diversified Fund	1.49%	0.33%
Private Fixed Income Fund	1.49%	0.25%
Private Geared Australian Share Fund	2.98%	1.08%
Private Geared High Growth Fund	2.24%	0.71%
Private Growth Fund	1.49%	0.42%
Private International Share Fund	1.49%	0.56%
Private Real Estate Fund	1.49%	0.51%

11 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/receivable at year end between the Schemes and the Responsible Entity were as follows:

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable directly by the Scheme	23,684,033	22,622,401	1,057,528	744,992	101,294	64,475
Responsible Entity's fee rebate received and receivable directly by the Scheme	-	-	9,199	15,596	1,057	4,964
Fees payable to the Responsible Entity as at reporting date (included in sundry creditors and accruals)	2,172,910	1,941,340	123,642	81,716	13,280	6,680
					Geared Australian Share Fund	Geared Australian Share Fund
	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund	30 June 2014	30 June 2013
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable directly by the Scheme	219,252	117,378	3,215,448	4,219,468	195,607	152,653
Responsible Entity's fee rebate received and receivable directly by the Scheme	1,413	4,217	-	75,637	195,737	152,616
Fees payable to the Responsible Entity as at reporting date (included in sundry creditors and accruals)	29,976	12,645	86,988	385,805	19,176	13,974
Rebates receivable from the Responsible Entity as at reporting date (included in other receivables)	-	-	-	-	17,891	28,015

11 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/receivable at year end between the Schemes and the Responsible Entity were as follows:

	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable directly by the Scheme	241,526	202,190	184,609	125,623	9,686,718	8,422,887	3,595,280	3,302,202
Responsible Entity's fee rebate received and receivable directly by the Scheme	214,502	173,620	1,541	3,154	-	-	-	-
Fees payable to the Responsible Entity as at reporting date (included in sundry creditors and accruals)	22,528	18,963	18,592	15,086	951,475	807,596	378,432	263,102
Rebates receivable from the Responsible Entity as at reporting date (included in other receivables)	18,594	31,775	-	-	-	-	-	-

11 Related party transactions (continued)

Related party unitholdings

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions
					paid/payable by the Scheme at 30 June 2014 \$'000					paid/payable by the Scheme at 30 June 2013 \$'000
Australian Share Fund - Class R										
Managed Investment Schemes										
Perpetual Charitable and Community Investor Fund	227,913	29.4	10,233	13,550	7,034	231,230	28.2	12,331	18,698	9,285
Perpetual Charitable Endowment Fund	37,423	4.8	1,832	547	1,140	36,138	4.4	2,210	1,786	1,434
Perpetual Private Balanced Fund	36,682	4.7	1,269	3,653	1,164	39,066	4.8	3,903	15,939	1,742
Perpetual Private Conservative Fund	1,079	0.1	145	48	32	982	0.1	145	479	43
Perpetual Private Diversified Fund	5,067	0.7	421	74	152	4,720	0.6	352	2,006	213
Perpetual Private Geared Australian Share Fund	6,823	0.9	2,256	1,120	205	5,687	0.7	2,107	1,742	230
Perpetual Private Geared High Growth Fund	4,048	0.5	615	563	128	3,996	0.5	969	914	151
Perpetual Private Growth Fund	9,312	1.2	456	1,039	305	9,895	1.2	2,220	3,120	416

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Australian Share Fund - Class R (continued)	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation funds										
Australian Eligible Rollover Fund	128,295	16.5	6,064	26,956	4,150	149,187	18.2	6,810	36,281	6,727
Perpetual Super Wrap	293	-	-	47	9	340	-	340	-	4
Perpetual's Select Superannuation Fund										
- Australian Share Pension Option	15,853	2.0	1,241	1,347	491	15,959	1.9	3,245	6,413	631
- Australian Share Super Option	22,991	3.0	2,928	4,489	730	24,552	3.0	4,234	5,237	983
- Balanced Pension Option	40,101	5.2	1,289	6,691	1,323	45,503	5.5	5,360	6,616	1,796
- Balanced Super Option	57,677	7.4	1,517	7,927	1,872	64,087	7.8	8,676	11,499	2,603
- Conservative Pension Option	3,950	0.5	181	724	126	4,493	0.5	1,057	1,077	183
- Conservative Super Option	3,040	0.4	83	589	101	3,546	0.4	577	742	145
- Diversified Pension Option	11,056	1.4	808	1,513	347	11,761	1.4	2,985	8,334	499
- Diversified Super Option	13,968	1.8	404	3,876	483	17,440	2.1	1,665	4,676	733
- Growth Pension Option	53,296	6.9	2,123	3,689	1,669	54,862	6.7	10,813	11,003	2,192
- Growth Super Option	53,063	6.8	1,388	6,191	1,699	57,866	7.1	5,779	9,543	2,303
- High Growth Pension Option	1,796	0.2	474	367	52	1,689	0.2	291	568	70
- High Growth Super Option	23,062	3.0	1,200	1,452	731	23,314	2.8	2,150	3,156	924
Australian Share Fund - Class I										
Superannuation fund										
Perpetual Super Wrap	3,918	33.8	3,963	45	27	-	-	-	-	-

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Balanced Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Perpetual Super Wrap	2,296	1.2	1,167	38	43	1,167	0.6	1,167	-	12
Conservative Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Perpetual Super Wrap	1,667	13.6	466	-	35	1,201	10.9	1,201	-	26
Diversified Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Perpetual Super Wrap	213	0.6	161	-	4	52	0.2	52	-	1

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Fixed Income Fund - Class R	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes										
Perpetual Charitable Endowment Fund	-	-	1,765	20,732	100	18,967	6.1	2,901	446	488
Perpetual Private Balanced Fund	-	-	2,487	31,865	148	29,378	9.4	4,401	3,372	774
Perpetual Private Conservative Fund	-	-	532	3,792	17	3,260	1.0	895	500	80
Perpetual Private Diversified Fund	-	-	1,712	11,154	54	9,442	3.0	1,480	309	238
Perpetual Private Growth Fund	-	-	429	3,685	18	3,256	1.0	1,312	318	80
Superannuation funds										
Perpetual Super Wrap	307	0.2	44	-	6	263	0.1	263	-	5
Perpetual's Select Superannuation Fund										
- Balanced Pension Option	-	-	2,345	36,964	174	34,619	11.1	9,660	6,986	879
- Balanced Super Option	-	-	3,301	51,744	241	48,443	15.5	12,320	9,480	1,271
- Conservative Pension Option	-	-	485	15,227	72	14,742	4.7	4,162	2,764	391
- Conservative Super Option	-	-	444	12,116	58	11,672	3.7	2,543	1,616	305
- Diversified Pension Option	-	-	1,918	19,262	91	17,344	5.5	4,936	10,481	480
- Diversified Super Option	-	-	828	27,145	132	26,317	8.4	3,142	4,248	718
- Fixed Income Pension Option	9,209	5.2	411	2,198	180	10,996	3.5	3,147	5,470	312
- Fixed Income Super Option	11,606	6.5	2,306	3,801	227	13,101	4.2	6,082	6,454	383
- Growth Pension Option	-	-	1,969	20,098	92	18,129	5.8	5,914	4,105	466
- Growth Super Option	-	-	2,020	21,043	98	19,023	6.1	6,559	4,088	457

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Fixed Income Fund - Class I	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation fund										
Perpetual Super Wrap	18,732	14.7	18,763	31	287	-	-	-	-	-
Geared Australian Share Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation funds										
Perpetual's Select Superannuation Fund - Geared Australian Share Super Option	7,855	96.0	2,217	1,494	176	7,132	96.4	1,317	1,330	180

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Geared High Growth Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Perpetual's Select Superannuation Fund - Geared High Growth Super Option	12,435	94.3	1,861	2,209	201	12,783	94.5	2,247	3,170	220
Growth Fund	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation fund Perpetual Super Wrap	441	1.2	444	3	7	-	-	-	-	-

**Perpetual Private Investment Funds
Notes to the financial statements
For the year ended 30 June 2014
(continued)**

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

International Share Fund - Class R	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes										
Perpetual Private Balanced Fund	60,012	8.8	123	8,232	6	68,121	11.1	2,936	10,782	89
Perpetual Private Conservative Fund	1,600	0.2	86	42	-	1,556	0.3	145	229	2
Perpetual Private Diversified Fund	6,749	1.0	818	813	1	6,744	1.1	45	636	9
Perpetual Private Geared High Growth Fund	5,374	0.8	566	733	1	5,541	0.9	1,286	1,355	7
Perpetual Private Growth Fund	14,394	2.1	30	1,965	1	16,329	2.7	2,714	2,557	21
Superannuation funds										
Perpetual Super Wrap	159	-	42	-	-	117	-	117	-	-
Perpetual's Select Superannuation Fund										
- Balanced Pension Option	65,573	9.6	485	14,270	7	79,358	12.9	7,641	13,278	104
- Balanced Super Option	94,213	13.8	200	17,336	10	111,349	18.1	12,776	23,870	146
- Conservative Pension Option	5,853	0.9	31	1,250	1	7,072	1.2	1,606	1,919	9
- Conservative Super Option	4,505	0.7	10	1,169	-	5,664	0.9	810	1,484	7
- Diversified Pension Option	5,592	0.8	189	976	1	6,379	1.0	1,239	4,471	8
- Diversified Super Option	7,078	1.0	17	2,380	1	9,441	1.5	632	2,696	12
- Growth Pension Option	82,500	12.1	615	9,167	8	91,052	14.8	16,357	21,806	119
- Growth Super Option	83,480	12.2	199	12,391	9	95,672	15.6	8,418	19,004	125
- High Growth Pension Option	2,312	0.3	259	347	-	2,400	0.4	415	920	3
- High Growth Super Option	30,510	4.5	59	2,251	3	32,702	5.3	2,374	5,797	43
- International Share Pension Option	7,523	1.1	309	960	1	8,174	1.3	2,457	3,295	11
- International Share Super Option	15,353	2.2	2,348	2,492	2	15,497	2.5	2,337	3,657	20

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

International Share Fund - Class I	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions
					paid/payable by the Scheme at 30 June 2014 \$'000					paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation fund										
Perpetual Super Wrap	19,891	15.9	19,940	49	26	-	-	-	-	-
Real Estate Fund - Class R	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions
					paid/payable by the Scheme at 30 June 2014 \$'000					paid/payable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes										
Perpetual Charitable and Community Investor Fund	74,865	20.0	11,909	434	690	63,390	25.6	2,957	6,764	936
Perpetual Private Balanced Fund	23,720	6.3	5,408	705	219	19,017	7.7	1,953	8,145	333
Perpetual Private Conservative Fund	1,102	0.3	328	80	10	854	0.3	97	374	14
Perpetual Private Diversified Fund	3,800	1.0	845	49	35	3,004	1.2	123	995	50
Perpetual Private Growth Fund	5,238	1.4	1,432	46	48	3,852	1.6	1,177	1,872	69

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Real Estate Fund - Class R (continued)	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions
					paid/payable by the Scheme at 30 June 2014 \$'000					paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation funds										
Perpetual Super Wrap	124	-	22	-	1	102	-	102	-	1
Perpetual's Select Superannuation Fund										
- Balanced Pension Option	28,529	7.6	6,538	269	263	22,260	9.0	4,176	10,727	366
- Balanced Super Option	38,568	10.3	8,456	1,071	356	31,183	12.6	6,826	15,799	522
- Conservative Pension Option	4,905	1.3	1,033	60	45	3,932	1.6	1,410	2,062	63
- Conservative Super Option	3,648	1.0	1,012	456	34	3,092	1.2	751	1,636	53
- Diversified Pension Option	3,568	1.0	391	311	33	3,488	1.4	793	2,994	59
- Diversified Super Option	4,460	1.2	520	1,373	42	5,313	2.1	487	1,993	358
- Growth Pension Option	27,708	7.4	6,644	736	256	21,800	8.8	7,098	12,684	371
- Growth Super Option	28,728	7.7	6,270	597	265	23,055	9.3	3,317	10,828	367
- Real Estate Pension Option	5,437	1.5	296	676	50	5,817	2.3	1,173	3,238	81
- Real Estate Super Option	14,104	3.8	2,205	2,712	130	14,611	5.9	2,615	2,783	202

11 Related party transactions (continued)

Related party unitholdings (continued)

Perpetual Investment Management Limited, its related parties and other schemes managed by Perpetual Investment Management Limited, held units in the Schemes as follows:

Real Estate Fund - Class I	Number of units held 30 June 2014 '000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions paid/payable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions paid/payable by the Scheme at 30 June 2013 \$'000
Superannuation fund Perpetual Super Wrap	8,598	15.9	8,603	5	148	-	-	-	-	-

Investments

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or its related parties:

Australian Share Fund - Class R	Number of units held 30 June 2014 '000	Fair value of investme nt 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Scheme Perpetual Pure Microcap	18,751	22,826	38.7	18,751	-	3,807	-	-	-	-	-	-

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Balanced Fund	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes												
Perpetual Cash Management Fund	-	-	-	-	-	-	-	-	-	1,097	1,138	11
Perpetual Credit Income Fund	10,826	11,180	3.7	467	3,388	541	13,747	13,988	5.8	17,358	3,611	75
Perpetual Defensive Alternatives Pool Fund	11,545	10,828	4.3	742	539	672	11,342	10,527	4.7	907	1,588	837
Perpetual Growth Alternatives Pool Fund	18,243	22,162	5.3	592	1,238	704	18,889	21,043	6.1	944	1,643	1,025
Perpetual High Grade Treasury Fund	-	-	-	232	11,011	87	10,779	11,156	6.4	677	175	599
Perpetual Institutional Cash Management Trust	9,933	9,933	0.9	8,914	31	177	1,050	1,050	0.1	1,051	1	4
Perpetual Private Australian Share Fund	36,682	55,313	4.7	1,269	3,653	1,164	39,066	51,380	4.8	3,903	15,939	1,742
Perpetual Private Duration Fixed Income Fund	31,093	31,050	9.1	32,203	1,110	1,132	-	-	-	-	-	-
Perpetual Private Fixed Income Fund	-	-	-	2,487	31,865	148	29,378	29,510	9.4	4,401	3,372	774
Perpetual Private International Share Fund	60,012	51,062	8.8	123	8,232	6	68,121	49,572	11.1	2,936	10,782	89
Perpetual Private Real Estate Fund	23,720	15,954	6.3	5,408	705	219	19,017	11,591	7.7	1,953	8,145	333

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Conservative Fund	Number of units held	Fair value of investment	Interest held	Number of units acquired	Number of units disposed	Distributions received/receivable by the Scheme at 30 June	Number of units held	Fair value of investment	Interest held	Number of units acquired	Number of units disposed	Distributions received/receivable by the Scheme at 30 June
	'000	\$'000	(%)	'000	'000	\$'000	'000	\$'000	(%)	'000	'000	\$'000
Managed Investment Schemes												
Perpetual Cash Management Fund	-	-	-	-	-	-	-	-	-	96	479	8
Perpetual Credit Income Fund	1,619	1,672	0.6	730	-	64	889	905	0.4	889	-	5
Perpetual Defensive Alternatives Pool Fund	1,430	1,341	0.5	220	-	73	1,210	1,123	0.5	156	-	86
Perpetual Growth Alternatives Pool Fund	561	681	0.2	43	-	22	518	577	0.2	89	38	28
Perpetual High Grade Treasury Fund	-	-	-	40	1,668	18	1,628	1,685	1.0	182	243	92
Perpetual Institutional Cash Management Trust	1,675	1,675	0.2	1,313	37	33	399	399	-	401	2	2
Perpetual Private Australian Share Fund	1,079	1,628	0.1	145	48	32	982	1,291	0.1	145	479	43
Perpetual Private Duration Fixed Income Fund	3,959	3,954	1.2	3,983	24	143	-	-	-	-	-	-
Perpetual Private Fixed Income Fund	-	-	-	532	3,792	17	3,260	3,275	1.0	895	500	80
Perpetual Private International Share Fund	1,600	1,361	0.2	86	42	-	1,556	1,132	0.3	145	229	2
Perpetual Private Real Estate Fund	1,102	741	0.3	328	80	10	854	521	0.3	97	373	14

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Diversified Fund	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes												
Perpetual Cash Management Fund	-	-	-	-	-	-	-	-	-	19	304	6
Perpetual Credit Income Fund	2,298	2,373	0.8	84	133	103	2,347	2,388	1.0	2,615	268	13
Perpetual Defensive Alternatives Pool Fund	3,729	3,497	1.4	230	-	208	3,499	3,247	1.5	354	317	254
Perpetual Growth Alternatives Pool Fund	1,420	1,725	0.4	46	-	55	1,374	1,531	0.4	69	145	75
Perpetual High Grade Treasury Fund	-	-	-	30	1,554	9	1,524	1,577	0.9	92	39	85
Perpetual Institutional Cash Management Trust	2,424	2,424	0.2	2,299	166	54	291	291	-	292	1	1
Perpetual Private Australian Share Fund	5,067	7,641	0.7	421	74	151	4,720	6,207	0.6	352	2,006	213
Perpetual Private Duration Fixed Income Fund	11,133	11,117	3.3	11,176	43	404	-	-	-	-	-	-
Perpetual Private Fixed Income Fund	-	-	-	1,712	11,154	54	9,442	9,485	3.0	1,480	309	238
Perpetual Private International Share Fund	6,749	5,743	1.0	818	813	1	6,744	4,908	1.1	45	636	9
Perpetual Private Real Estate Fund	3,800	2,555	1.0	845	49	35	3,004	1,831	1.2	123	995	50

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Fixed Income Fund - Class R	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes												
Perpetual Credit Income Fund	79,282	81,876	27.4	80,486	1,204	1,186	-	-	-	-	-	-
Perpetual Private Duration Fixed Income Fund	80,740	80,627	23.6	82,709	1,969	2,715	-	-	-	-	-	-
Private Investor Mortgage Fund	-	-	-	-	18,114	358	18,114	17,596	29.4	-	15,801	1,016
Geared Australian Share Fund												
Managed Investment Scheme												
Perpetual Private Australian Share Fund	6,823	10,288	0.9	2,256	1,120	205	5,687	7,480	0.7	2,107	1,742	230

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Geared High Growth Fund	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes												
Perpetual Cash Management Fund	-	-	-	-	-	-	-	-	-	3	138	2
Perpetual Growth Alternatives Pool Fund	1,593	1,936	0.5	51	-	61	1,542	1,718	3.8	77	354	84
Perpetual Private Australian Share Fund	4,048	6,104	0.5	615	563	128	3,996	5,256	0.5	969	913	151
Perpetual Private International Share Fund	5,374	4,573	0.8	566	733	1	5,541	4,032	0.9	1,286	1,356	7

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

Growth Fund	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Schemes												
Perpetual Cash Management Fund	-	-	-	-	-	-	-	-	-	58	280	6
Perpetual Credit Income Fund	1,304	1,346	0.4	241	2,226	97	3,289	3,347	1.4	4,021	732	18
Perpetual Growth Alternatives Pool Fund	5,641	6,853	1.6	183	-	218	5,458	6,080	1.8	273	194	296
Perpetual High Grade Treasury Fund	-	-	-	22	943	9	921	953	0.5	138	41	51
Perpetual Institutional Cash Management Trust	1,339	1,339	0.1	1,587	507	24	259	259	-	259	-	1
Perpetual Private Australian Share Fund	9,312	14,042	1.2	456	1,039	305	9,895	13,014	1.2	2,220	3,120	417
Perpetual Private Duration Fixed Income Fund	3,418	3,413	1.0	3,723	305	125	-	-	-	-	-	-
Perpetual Private Fixed Income Fund	-	-	-	429	3,685	18	3,256	3,271	1.0	1,312	318	80
Perpetual Private International Share Fund	14,394	12,247	2.1	30	1,965	2	16,329	11,883	2.7	2,714	2,557	21
Perpetual Private Real Estate Fund	5,238	3,524	1.4	1,432	46	48	3,852	2,348	1.6	1,177	1,872	69

11 Related party transactions (continued)

Investments (continued)

The Schemes held investments in the following schemes which are also managed by Perpetual Investment Management Limited or their related parties:

International Share Fund - Class R	Number of units held 30 June 2014 '000	Fair value of investment 30 June 2014 \$'000	Interest held 30 June 2014 (%)	Number of units acquired 30 June 2014 '000	Number of units disposed 30 June 2014 '000	Distributions received/ receivable by the Scheme at 30 June 2014 \$'000	Number of units held 30 June 2013 '000	Fair value of investment 30 June 2013 \$'000	Interest held 30 June 2013 (%)	Number of units acquired 30 June 2013 '000	Number of units disposed 30 June 2013 '000	Distributions received/ receivable by the Scheme at 30 June 2013 \$'000
Managed Investment Scheme												
Perpetual Smart Beta Emerging Market Equities Fund	17,330	17,355	20.2	17,330	-	515	-	-	-	-	-	-

12 Auditor's remuneration

During the year the following fees were paid or payable by the Schemes for services provided by the auditor of the Schemes:

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audit and audit related services										
KPMG										
Total remuneration for audit and audit related services	21,238	18,541	14,746	14,307	11,438	11,169	11,438	11,169	11,593	10,698
	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audit and audit related services										
KPMG										
Total remuneration for audit and audit related services	10,815	10,698	10,815	10,698	14,746	14,307	21,609	20,469	21,609	20,469

13 Reconciliation of operating profit to net cash inflow from operating activities

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
(a) Reconciliation of operating profit to net cash inflow from operating activities						
Operating profit	183,390	200,172	23,406	31,416	826	943
(Increase)/decrease in dividends/distributions receivable	(4,114)	105	(568)	797	(96)	78
(Increase)/decrease in interest receivable	(11)	30	1	(5)	-	(1)
Decrease/(increase) in other receivables	163	(259)	(11)	(3)	(1)	(1)
(Decrease)/increase in sundry creditors and accruals	(2,194)	4,284	52	19	16	3
Net gains on financial instruments held at fair value through profit or loss	(158,659)	(179,337)	(19,628)	(26,535)	(549)	(660)
Net foreign exchange (gains)/losses	(23)	46	-	-	-	-
Net cash inflow from operating activities	18,552	25,041	3,252	5,689	196	362
(b) Components of cash and cash equivalents						
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:						
Cash on hand	39,046	22,588	2,100	1,207	451	751
Deposit at call	78	1,592	-	-	-	-
Future deposits	53	247	100	124	9	8
Total cash and cash equivalents	39,177	24,427	2,200	1,331	460	759

13 Reconciliation of operating profit to net cash inflow from operating activities (continued)

	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund	Geared Australian Share Fund	Geared Australian Share Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
(a) Reconciliation of operating profit to net cash inflow from operating activities						
Operating profit	3,160	3,755	6,241	6,864	1,376	1,228
(Increase)/decrease in dividends/distributions receivable	(263)	231	498	9,661	12	(11)
Increase in interest receivable	-	(1)	(19)	(5)	(1)	-
(Increase)/decrease in other receivables	(5)	-	80	-	10	(20)
Increase/(decrease) in sundry creditors and accruals	27	1	(287)	10	7	2
Net (gains)/losses on financial instruments held at fair value through profit or loss	(2,334)	(2,922)	(2,983)	1,324	(1,178)	(1,005)
Net cash inflow from operating activities	585	1,064	3,530	17,854	226	194
(b) Components of cash and cash equivalents						
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:						
Cash on hand	732	433	14,418	2,193	438	284
Future deposits	9	6	-	-	-	-
Total cash and cash equivalents	741	439	14,418	2,193	438	284

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

	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
(a) Reconciliation of operating profit to net cash inflow from operating activities								
Operating profit	1,777	1,951	5,554	6,862	73,991	104,113	23,224	31,862
Decrease/(increase) in dividends/distributions receivable	21	(9)	(45)	24	(430)	(322)	(2,103)	274
(Increase)/decrease in interest receivable	(1)	-	1	-	(38)	(5)	(28)	34
Decrease/(increase) in other receivables	13	(22)	(1)	(2)	(137)	(51)	(16)	37
Increase/(decrease) in sundry creditors and accruals	5	1	13	6	509	70	125	(75)
Net gains on financial instruments held at fair value through profit or loss	(1,621)	(1,741)	(4,933)	(6,034)	(74,993)	(102,837)	(18,229)	(28,711)
Net foreign exchange losses/(gains)	-	-	-	-	357	(831)	(52)	(152)
Net cash inflow/(outflow) from operating activities	194	180	589	856	(741)	137	2,921	3,269
(b) Components of cash and cash equivalents								
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:								
Cash on hand	411	174	770	613	40,544	9,890	12,895	2,313
Deposit at call	-	-	-	-	-	1,297	-	-
Future deposits	-	-	31	14	-	-	-	-
Total cash and cash equivalents	411	174	801	627	40,544	11,187	12,895	2,313

14 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 define the obligations and regulatory requirements for the Schemes and minimise the risks in investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage investment activities.

The investment activities of the Schemes are managed in accordance with the investment strategy specifically tailored for the Schemes' objectives. The strategy is approved by the Board of Directors of the Responsible Entity, and must comply with any authorised investments and management restrictions specified in the Schemes' Constitutions. The Schemes are permitted to use derivative products. The use of derivatives is considered to be part of the investment management process and is not managed in isolation.

This note presents information about the Schemes' exposure to each of the above risks. 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 interest rate risk, currency risk and price risk and ratings analysis for credit risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The potential market risks are currency risk, interest rate risk and price risk.

The Schemes may use derivative instruments to manage these risks. However, the use of derivatives is limited to the investment strategy and restrictions specified in the Schemes' governing documents.

The Schemes held futures, foreign exchange forward contracts and options as at 30 June 2014 (30 June 2013: the Schemes held futures, foreign exchange forward contracts and options).

(i) Currency risk

The Schemes that invest in financial instruments denominated in currencies other than the Australian dollar are exposed to currency risk. Currency risk arises as the income and value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Schemes may enter into derivative contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates. However, for accounting purposes, the Schemes do not designate any derivatives as hedges, and hence these derivative financial instruments are classified as at fair value through profit or loss.

As of the balance sheet date, other than the International Share Fund, the Schemes do not have significant exposure to currency risk.

14 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

International Share Fund

The following table summarises the net amount of monetary assets and liabilities denominated in currencies to which the Scheme is significantly exposed to:

		Net currency exposure 30 June 2014 \$'000	Net currency exposure 30 June 2013 \$'000
Australia	AUD	41,792	2,270
US	USD	302,941	215,519
United Kingdom	GBP	56,935	29,517
Euro	EUR	56,695	75,028
Others		123,142	124,046
		581,505	446,380

Sensitivity analysis

The sensitivity analysis estimates the sensitivity of the Scheme's operating profit and net assets attributable to unitholders to the currency risk. The sensitivity rates represent management's best estimate of a reasonably possible movement in the foreign exchange rates, having regard to historical volatility of those rates.

A 10% strengthening of the AUD against the USD based on exposure at 30 June 2014 and 30 June 2013 would have decreased the Scheme's operating profit/(loss) and net assets attributable to unitholders by \$30,294,066 (2013: \$21,551,936). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 8% strengthening of the AUD against the GBP based on exposure at 30 June 2014 and 30 June 2013 would have decreased the Scheme's operating profit/(loss) and net assets attributable to unitholders by \$4,554,771 (2013: \$2,361,362). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 8% strengthening of the AUD against the EUR based on exposure at 30 June 2014 and 30 June 2013 would have decreased the Scheme's operating profit/(loss) and net assets attributable to unitholders by \$4,535,625 (2013: \$6,002,240). This analysis assumes that all other variables, in particular interest rates, remain constant.

A reasonably possible weakening of the AUD against the above currencies would have resulted in an equal but opposite effect to the amounts shown above.

14 Financial risk management (continued)

(a) Market risk (continued)

(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.

With the exception of the Geared Australian Share Fund and Geared High Growth Fund, the Schemes' exposure to interest rate risk is limited to their cash and cash equivalents, which earn/charge a floating rate of interest.

Geared Australian Share Fund

The Scheme is exposed to interest rate risk on its cash and interest bearing investments. Interest income from cash holdings is received and interest expense from cash borrowings is incurred at variable interest rates. The interest rate received on cash holdings at year-end is 2.45% (2013: 2.70%). The interest rate paid on cash borrowings at year-end is 4.36% (2013: 4.75%).

Sensitivity analysis

The sensitivity analysis estimates the sensitivity of the Scheme's operating profit and net assets attributable to unitholders to interest rate risk. The sensitivity rate is based on management's best estimate of a reasonably possible movement in the interest rates, having regard to historical levels of changes in interest rates.

An increase of 1% in interest rates applicable at reporting date would have decreased the Scheme's operating profit/(loss) and net assets attributable to unitholders by \$47,810 (2013: \$34,892). This analysis assumes that all variables, in particular foreign currency rates, remain constant. A decrease of 1% would have the equal, but opposite effect to the amounts shown above on the basis that all other variables remain constant.

Geared High Growth Fund

The Scheme is exposed to cash and interest rate risk on its interest bearing investments. Interest income from cash holdings is received and interest expense from cash borrowings is incurred at variable interest rates. The interest rate received on cash holdings at year-end is 2.45% (2013: 2.70%). The interest rate paid on cash borrowings at year-end is 4.36% (2013: 4.75%).

Sensitivity analysis

The sensitivity analysis estimates the sensitivity of the Scheme's operating profit and net assets attributable to unitholders to interest rate risk. The sensitivity rate is based on management's best estimate of a reasonably possible movement in the interest rates, having regard to historical levels of changes in interest rates.

An increase of 1% in interest rates applicable at reporting date would have decreased the Scheme's operating profit/(loss) and net assets attributable to unitholders by \$38,221 (2013: \$34,117). This analysis assumes that all variables, in particular foreign currency rates, remain constant. A decrease of 1% would have the equal, but opposite effect to the amounts shown above on the basis that all other variables remain constant.

14 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

The Schemes are exposed to market price risk. The risk arises from investments held by the Schemes for which prices in the future are uncertain (other than arising from currency risk or interest rate risk).

The Schemes' asset managers aim to manage the impact of market price risk through the use of consistent and carefully considered investment guidelines. Risk management techniques are used in the selection of investments. Investments (including derivatives) are only purchased that meet investment criteria. Risk can be reduced by diversifying investments across several asset managers, markets, regions and different asset classes.

Sensitivity analysis

The sensitivity analysis estimates the sensitivity of the Schemes' operating profit and net assets attributable to unitholders to market price risk. The sensitivity rate is based on management's best estimate of a reasonably possible movement in the market price, having regard to historical correlation of the Schemes' investments with the relevant benchmark and market volatility.

An increase of 15% at the reporting date of the market prices would have had the following effect on the Schemes' operating profit and net assets attributable to unitholders. This analysis assumes that all other variables remain constant.

	Australian Share Fund	Australian Share Fund	Balanced Fund	Balanced Fund	Conservative Fund	Conservative Fund	Diversified Fund	Diversified Fund	Fixed Income Fund	Fixed Income Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Scheme's operating profit and net assets attributable to unitholders	166,756,185	154,502,134	31,118,498	29,966,811	1,957,805	1,635,938	5,560,726	4,719,413	24,375,409	46,745,204

14 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

	Geared Australian Share Fund	Geared Australian Share Fund	Geared High Growth Fund	Geared High Growth Fund	Growth Fund	Growth Fund	International Share Fund	International Share Fund	Real Estate Fund	Real Estate Fund
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Scheme's operating profit and net assets attributable to unitholders	1,543,164	1,121,975	1,891,918	1,650,779	6,413,767	6,172,801	81,216,290	65,327,792	35,721,266	22,471,037

A decrease of 15% would have the equal, but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(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 credit risk on derivative financial instruments, cash and cash equivalents, amounts due from broker and other receivables.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard & Poor's or equivalent rating agency).

(ii) Amounts due from brokers

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.

(iii) Derivative financial instruments

The use of derivatives is limited to the investment strategy specifically tailored for the Scheme. Asset managers are only permitted to use derivative financial instruments that are noted on the Approved Derivatives List ("ADL"). The ADL is maintained by the Derivative Governance Committee ("DGC"). The DGC is a committee designed to assist in overseeing the management of derivative use.

14 Financial risk management (continued)

(b) Credit risk (continued)

The counterparty risk arising from entering into derivative contracts 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. The counterparty risk arising from over the counter derivative contracts is minimised by considering the credit worthiness of all counterparties and by entering into appropriate agreements with approved counterparties.

(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 call on derivatives.

The Schemes' investments are considered to be readily realisable. The Schemes primarily hold investments in an active market and can be readily disposed of. Only a limited proportion of their assets are held in investments not actively traded on a stock exchange.

The Schemes' investments in unlisted unit trusts expose the Schemes 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.

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 and this includes the assessment of saleability in different market conditions. The Schemes' investment strategies generally define a minimum liquidity level for the Schemes which is monitored regularly.

Perpetual Private Investment Funds
Notes to the financial statements
For the year ended 30 June 2014
(continued)

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

Australian Share Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	6 - 12 months 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial									
Distributions payable to unitholders of the Scheme	5,871	5,871	-	5,871	-	9,110	9,110	-	9,110
Due to brokers - payable for securities	2,473	2,473	-	2,473	-	3,458	3,458	-	3,458
Sundry creditors and accruals	9,660	9,660	-	9,660	-	7,107	7,107	-	7,107
Net assets attributable to unitholders	1,170,846	1,170,846	1,170,846	-	-	1,076,595	1,076,595	1,076,595	-
Total	1,188,850	1,188,850	1,170,846	18,004	-	1,096,270	1,096,270	1,076,595	19,675
Derivative financial liabilities									
Options	852	852	-	730	122	1,115	1,115	-	1,115
Foreign exchange forward contracts	3	-	-	-	-	-	-	-	-
Outflow	-	409	-	409	-	-	-	-	-
Inflow	-	(406)	-	(406)	-	-	-	-	-
Total	855	855	-	733	122	1,115	1,115	-	1,115

Balanced Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	1,262	1,262	-	1,262	1,964	1,964	-	1,964
Sundry creditors and accruals	1,125	1,125	-	1,125	1,738	1,738	-	1,738
Net assets attributable to unitholders	211,041	211,041	211,041	-	200,492	200,492	200,492	-
Total	213,428	213,428	211,041	2,387	204,194	204,194	200,492	3,702
Derivative financial liabilities								
Futures	58	58	-	58	38	38	-	38
Total	58	58	-	58	38	38	-	38

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

Conservative Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	129	129	-	129	121	121	-	121
Due to brokers - payable for securities purchased	30	30	-	30	-	-	-	-
Sundry creditors and accruals	41	41	-	41	27	27	-	27
Net assets attributable to unitholders	13,513	13,513	13,513	-	11,640	11,640	11,640	-
Total	13,713	13,713	13,513	200	11,788	11,788	11,640	148
Derivative financial liabilities								
Futures	3	3	-	3	1	1	-	1
Total	3	3	-	3	1	1	-	1

Diversified Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	345	345	-	345	309	309	-	309
Due to brokers - payable for securities purchased	50	50	-	50	-	-	-	-
Sundry creditors and accruals	55	55	-	55	76	76	-	76
Net assets attributable to unitholders	37,924	37,924	37,924	-	31,852	31,852	31,852	-
Total	38,374	38,374	37,924	450	32,237	32,237	31,852	385
Derivative financial liabilities								
Futures	6	6	-	6	2	2	-	2
Total	6	6	-	6	2	2	-	2

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

<i>Fixed Income Fund</i>	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	2,665	2,665	-	2,665	3,683	3,683	-	3,683
Due to brokers - payable for securities purchased	2,000	2,000	-	2,000	-	-	-	-
Sundry creditors and accruals	818	818	-	818	596	596	-	596
Net assets attributable to unitholders	181,508	181,508	181,508	-	314,239	314,239	314,239	-
Total	186,991	186,991	181,508	5,483	318,518	318,518	314,239	4,279
 <i>Geared Australian Share Fund</i>								
	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	184	184	-	184	187	187	-	187
Borrowings and interest bearing liabilities	5,219	5,219	-	5,219	3,773	3,773	-	3,773
Interest payable	54	54	-	54	44	44	-	44
Sundry creditors and accruals	75	75	-	75	31	31	-	31
Net assets attributable to unitholders	5,304	5,304	5,304	-	3,839	3,839	3,839	-
Total	10,836	10,836	5,304	5,532	7,874	7,874	3,839	4,035

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

Geared High Growth Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	213	213	-	213	233	233	-	233
Borrowings and interest bearing liabilities	4,233	4,233	-	4,233	3,585	3,585	-	3,585
Interest payable	45	45	-	45	39	39	-	39
Sundry creditors and accruals	91	91	-	91	40	40	-	40
Net assets attributable to unitholders	8,560	8,560	8,560	-	7,397	7,397	7,397	-
Total	13,142	13,142	8,560	4,582	11,294	11,294	7,397	3,897

Growth Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	218	218	-	218	384	384	-	384
Sundry creditors and accruals	47	47	-	47	95	95	-	95
Net assets attributable to unitholders	43,912	43,912	43,912	-	41,657	41,657	41,657	-
Total	44,177	44,177	43,912	265	42,136	42,136	41,657	479
Derivative financial liabilities								
Futures	15	15	-	15	3	3	-	3
Total	15	15	-	15	3	3	-	3

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

International Share Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	214	214	-	214	805	805	-	805
Due to brokers - payable for securities purchased	6	6	-	6	1,133	1,133	-	1,133
Sundry creditors and accruals	12,208	12,208	-	12,208	1,089	1,089	-	1,089
Net assets attributable to unitholders	581,505	581,505	581,505	-	446,380	446,380	446,380	-
Total	593,933	593,933	581,505	12,428	449,407	449,407	446,380	3,027

Real Estate Fund

	Carrying amount 30 June 2014 \$'000	Contractual cash flows 30 June 2014 \$'000	At call 30 June 2014 \$'000	6 months or less 30 June 2014 \$'000	Carrying amount 30 June 2013 \$'000	Contractual cash flows 30 June 2013 \$'000	At call 30 June 2013 \$'000	6 months or less 30 June 2013 \$'000
Non-derivative financial liabilities								
Distributions payable to unitholders of the Scheme	3,275	3,275	-	3,275	360	360	-	360
Due to brokers - payable for securities purchased	2,633	2,633	-	2,633	1,608	1,608	-	1,608
Sundry creditors and accruals	1,251	1,251	-	1,251	639	639	-	639
Net assets attributable to unitholders	252,035	252,035	252,035	-	150,747	150,747	150,747	-
Total	259,194	259,194	252,035	7,159	153,354	153,354	150,747	2,607
Derivative financial liabilities								
Foreign exchange forward contracts	129	-	-	-	1,718	-	-	-
Outflow	-	13,859	-	13,859	-	71,785	-	71,785
Inflow	-	(13,730)	-	(13,730)	-	(70,067)	-	(70,067)
Total	129	129	-	129	1,718	1,718	-	1,718

14 Financial risk management (continued)

(d) Fair value measurement

The Schemes disclose fair value measurements by level of the following fair value hierarchy:

- 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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) is based on last traded prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation. Prior to 1 July 2013, the price used for financial assets was the current bid price and the quoted market price for financial liabilities was the current asking price. The Schemes adopted AASB 13 from 1 July 2013 and changed its fair value inputs to utilise last traded prices for both financial assets and financial liabilities.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Schemes use a variety of valuation methods and make assumptions that are based on market conditions existing at the end of each reporting period. Valuation techniques used for non-standardised financial instruments, such as options, swaps and other over-the-counter derivatives, include the use of comparable arm's length transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that is commonly used by market participants which maximises the use of market inputs and relies as little as possible on entity-specific inputs.

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. For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated by the asset managers, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

14 Financial risk management (continued)

(d) Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (continued)

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 appropriate yield curve) and the current creditworthiness of the counterparty and the Schemes. The fair value of a forward contract is determined using quoted exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts as at the valuation date. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on applicable yield curves derived from quoted interest rates. The fair value of an option contract is determined by applying the Black-Scholes option valuation model.

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

The tables below set out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

Australian Share Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Futures	2	-	-	2	49	-	-	49
Foreign exchange forward contracts	-	161	-	161	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Listed equities	1,089,482	-	-	1,089,482	1,027,996	-	-	1,027,996
Fixed interest securities	773	-	-	773	784	-	-	784
Floating rate notes	18,397	-	-	18,397	25,366	-	-	25,366
Unlisted unit trusts	-	22,826	-	22,826	-	-	-	-
Unlisted equities	-	320	-	320	3,110	2	-	3,112
Total	1,108,654	23,307	-	1,131,961	1,057,305	2	-	1,057,307
Financial liabilities								
Financial liabilities held for trading:								
Options	852	-	-	852	1,115	-	-	1,115
Foreign exchange forward contracts	-	3	-	3	-	-	-	-
Total	852	3	-	855	1,115	-	-	1,115

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The tables below set out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

Balanced Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Futures	-	-	-	-	235	-	-	235
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	132,262	75,220	-	207,482	113,593	86,224	-	199,817
Total	132,262	75,220	-	207,482	113,828	86,224	-	200,052
Financial liabilities								
Financial liabilities held for trading:								
Futures	58	-	-	58	38	-	-	38
Total	58	-	-	58	38	-	-	38

Conservative Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Futures	-	-	-	-	14	-	-	14
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	5,405	7,648	-	13,053	3,343	7,565	-	10,908
Total	5,405	7,648	-	13,053	3,357	7,565	-	10,922
Financial liabilities								
Financial liabilities held for trading:								
Futures	3	-	-	3	1	-	-	1
Total	3	-	-	3	1	-	-	1

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The tables below set out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

Diversified Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Futures	-	-	-	-	42	-	-	42
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	18,363	18,712	-	37,075	13,237	18,228	-	31,465
Total	18,363	18,712	-	37,075	13,279	18,228	-	31,507
Financial liabilities								
Financial liabilities held for trading:								
Futures	6	-	-	6	2	-	-	2
Total	6	-	-	6	2	-	-	2

Fixed Income Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	162,503	-	162,503	-	294,039	17,596	311,635
Total	-	162,503	-	162,503	-	294,039	17,596	311,635

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The tables below set out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

Geared Australian Share Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	10,288	-	-	10,288	7,480	-	-	7,480
Total	10,288	-	-	10,288	7,480	-	-	7,480

Geared High Growth Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	10,677	1,936	-	12,613	9,288	1,717	-	11,005
Total	10,677	1,936	-	12,613	9,288	1,717	-	11,005

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The tables below set out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

Growth Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Futures	-	-	-	-	39	-	-	39
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	31,151	11,613	-	42,764	27,504	13,651	-	41,155
Total	31,151	11,613	-	42,764	27,543	13,651	-	41,194
Financial liabilities								
Financial liabilities held for trading:								
Futures	15	-	-	15	3	-	-	3
Total	15	-	-	15	3	-	-	3

International Share Fund

	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed equities	524,086	1	-	524,087	435,519	-	-	435,519
Unlisted unit trusts	17,355	-	-	17,355	-	-	-	-
Total	541,441	1	-	541,442	435,519	-	-	435,519

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The table below sets out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2014 and 30 June 2013:

<i>Real Estate Fund</i>	30 June 2014				30 June 2013			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Financial assets held for trading:								
Foreign exchange forward contracts	-	975	-	975	-	65	-	65
Financial assets designated at fair value through profit or loss:								
Listed equities	233,900	-	-	233,900	138,448	-	-	138,448
Unlisted unit trusts	-	-	4,240	4,240	-	-	11,359	11,359
Total	233,900	975	4,240	239,115	138,448	65	11,359	149,872
Financial liabilities								
Financial liabilities held for trading:								
Foreign exchange forward contracts	-	129	-	129	-	1,718	-	1,718
Total	-	129	-	129	-	1,718	-	1,718

Valuation techniques used to derive level 2 and level 3 fair values

Financial instruments classified within level 2 are traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs including certain market indices, interest rate, credit spreads and market yield. These investments include; investment-grade corporate bonds and certain non-US sovereign obligations, certain listed equities, certain unlisted unit trusts and over-the-counter derivatives. As level 2 investments include asset positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 include corporate debt securities, unlisted unit trusts with suspended applications and redemptions or significant investment into unquoted equity investments. The valuation technique may use significant unobservable inputs at the underlying asset level. However, the Schemes obtain fair value prices from the relevant fund managers without significant adjustments and does not calculate any unobservable inputs itself.

With the exception of Real Estate Fund, the Schemes did not hold any financial instruments with fair value measurement using significant unobservable inputs during the year ended 30 June 2014. Real Estate Fund obtained fair value prices from the relevant fund managers without significant adjustment and did not calculate any unobservable inputs itself.

14 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels

For the year ended 30 June 2014, there have been no transfers between levels.

For the year ended 30 June 2013, the transfer of assets from level 2 to level 1 reflects the change in pricing frequency from weekly to daily as shown in the tables below:

Balanced Fund

30 June 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	112,543	(112,543)	-

Conservative Fund

30 June 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	2,944	(2,944)	-

Diversified Fund

30 June 2013

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	12,946	(12,946)	-

14 Financial risk management (continued)

(d) Fair value measurement (continued)

For the year ended 30 June 2013, the transfer of assets from level 2 to level 1 reflects the change in pricing frequency from weekly to daily as shown in the tables below:

	30 June 2013		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	7,480	(7,480)	-

	30 June 2013		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	9,288	(9,288)	-

	30 June 2013		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	27,245	(27,245)	-

14 Financial risk management (continued)

(d) Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following tables present the movement in level 3 instruments for the years ended 30 June 2014 and 30 June 2013 by class of financial instrument:

	30 June 2014		30 June 2013	
	Unlisted unit trusts \$'000	Total \$'000	Unlisted unit trusts \$'000	Total \$'000
<i>Fixed Income Fund</i>				
Opening balance	17,596	17,596	33,385	33,385
Sales	(17,527)	(17,527)	(15,426)	(15,426)
Losses recognised in profit and loss	(69)	(69)	(363)	(363)
Closing balance	-	-	17,596	17,596

Total losses for the year included in the statements of comprehensive income for financial assets and liabilities held at the end of the year

	(69)	(69)	(363)	(363)
--	------	------	-------	-------

	30 June 2014		30 June 2013	
	Unlisted unit trusts \$'000	Total \$'000	Unlisted unit trusts \$'000	Total \$'000
<i>Real Estate Fund</i>				
Opening balance	11,359	11,359	18,742	18,742
Purchases	-	-	4,569	4,569
Sales	-	-	(11,996)	(11,996)
Transfers out of level 3	(7,129)	(7,129)	-	-
Gains recognised in profit and loss	10	10	44	44
Closing balance	4,240	4,240	11,359	11,359

Total gains for the year included in the statements of comprehensive income for financial assets and liabilities held at the end of the year

	10	10	44	44
--	----	----	----	----

15 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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 sheet are disclosed in the first three columns of the tables below.

	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet		Related amounts not offset		
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements and cash collateral 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements and cash collateral 2013 \$'000	Net amounts 2013 \$'000
Australian Share Fund										
Financial assets										
Margin Accounts	53	-	53	2	55	247	-	247	-	247
Derivative financial instruments	163	-	163	(2)	161	49	-	49	-	49
Total	216	-	216	-	216	296	-	296	-	296
Financial liabilities										
Derivative financial instruments	(855)	-	(855)	-	(855)	(1,115)	-	(1,115)	-	(1,115)
Total	(855)	-	(855)	-	(855)	(1,115)	-	(1,115)	-	(1,115)

15 Offsetting financial assets and financial liabilities (continued)

Balanced Fund	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements and cash collateral 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements and cash collateral 2013 \$'000	Net amounts 2013 \$'000
Financial assets										
Margin accounts	100	-	100	(58)	42	124	-	124	197	321
Derivative financial instruments	-	-	-	-	-	235	-	235	(235)	-
Total	100	-	100	(58)	42	359	-	369	(38)	321
Financial liabilities										
Derivative financial instruments	(58)	-	(58)	58	-	(38)	-	(38)	38	-
Total	(58)	-	(58)	58	-	(38)	-	(38)	38	-

15 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements and cash collateral 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements and cash collateral 2013 \$'000	Net amounts 2013 \$'000
Conservative Fund										
Financial assets										
Margin accounts	9	-	9	(3)	6	8	-	8	13	21
Derivative financial instruments	-	-	-	-	-	14	-	14	(14)	-
Total	9	-	9	(3)	6	22	-	22	(1)	21
Financial liabilities										
Derivative financial instruments	(3)	-	(3)	3	-	(1)	-	(1)	1	-
Total	(3)	-	(3)	3	-	(1)	-	(1)	1	-

15 Offsetting financial assets and financial liabilities (continued)

Diversified Fund	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements and cash collateral 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements and cash collateral 2013 \$'000	Net amounts 2013 \$'000
Financial assets										
Margin accounts	9	-	9	(6)	3	6	-	6	40	46
Derivative financial instruments	-	-	-	-	-	42	-	42	(42)	-
Total	9	-	9	(6)	3	48	-	48	(2)	46
Financial liabilities										
Derivative financial instruments	(6)	-	(6)	6	-	(2)	-	(2)	2	-
Total	(6)	-	(6)	6	-	(2)	-	(2)	2	-

15 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements and cash collateral 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements and cash collateral 2013 \$'000	Net amounts 2013 \$'000
Growth Fund										
Financial assets										
Margin accounts	31	-	31	(15)	16	14	-	14	36	50
Derivative financial instruments	-	-	-	-	-	39	-	39	(39)	-
Total	31	-	31	(15)	16	53	-	53	(3)	50
Financial liabilities										
Derivative financial instruments	(15)	-	(15)	15	-	(3)	-	(3)	3	-
Total	(15)	-	(15)	15	-	(3)	-	(3)	3	-

15 Offsetting financial assets and financial liabilities (continued)

Real Estate Fund	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of financial assets/ (liabilities) 2014 \$'000	Gross amounts set off in the balance sheet 2014 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2014 \$'000	Amounts subject to master netting arrangements 2014 \$'000	Net amounts 2014 \$'000	Gross amounts of financial assets/ (liabilities) 2013 \$'000	Gross amounts set off in the balance sheet 2013 \$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet 2013 \$'000	Amounts subject to master netting arrangements 2013 \$'000	Net amounts 2013 \$'000
Financial assets										
Derivative financial instruments	975	-	975	(129)	846	65	-	65	(65)	-
Total	975	-	975	(129)	846	65	-	65	(65)	-
Financial liabilities										
Derivative financial instruments	(129)	-	(129)	129	-	(1,718)	-	(1,718)	65	(1,653)
Total	(129)	-	(129)	129	-	(1,718)	-	(1,718)	65	(1,653)

Master netting arrangements

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Schemes do not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the above table.

16 Derivative financial instruments

In the normal course of business the Schemes enter into transactions in various derivative financial instruments which have certain risks. 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 exchange rate, index of prices or rates, credit rating or credit index or other variable.

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 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.

(c) Foreign exchange forward contracts

Foreign exchange forward contracts are primarily used by the Schemes to hedge against foreign currency exchange rate risks on its 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.

17 Involvement with unconsolidated structured entities

The Schemes held investments in structured entities which are recorded at fair value within financial assets held at fair value through profit or loss:

Australian Share Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	22,826	2.0	22,826
Total	22,826	2.0	22,826

Balanced Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	207,482	100.0	207,482
Total	207,482	100.0	207,482

Conservative Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	13,053	100.0	13,053
Total	13,053	100.0	13,053

Diversified Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	37,075	100.0	37,075
Total	37,075	100.0	37,075

Fixed Income Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	162,503	100.0	162,503
Total	162,503	100.0	162,503

Geared Australian Share Fund	Fair Value		Maximum
	as at	Exposure	exposure to
	30 June	30 June	loss
	2014	2014	2014
Type of structured entities	\$'000	%	\$'000
Unlisted unit trusts	10,288	100.0	10,288
Total	10,288	100.0	10,288

17 Involvement with unconsolidated structured entities (continued)

The Schemes held investments in structured entities which are recorded at fair value within financial assets held at fair value through profit or loss:

Geared High Growth Fund				Growth Fund			
	Fair Value as at 30 June 2014 \$'000	Exposure 30 June 2014 %	Maximum exposure to loss 30 June 2014 \$'000		Fair Value as at 30 June 2014 \$'000	Exposure 30 June 2014 %	Maximum exposure to loss 30 June 2014 \$'000
Type of structured entities				Type of structured entities			
Unlisted unit trusts	12,613	100.0	12,613	Unlisted unit trusts	42,764	100.0	42,764
Total	12,613	100.0	12,613	Total	42,764	100.0	42,764

International Share Fund				Real Estate Fund			
	Fair Value as at 30 June 2014 \$'000	Exposure 30 June 2014 %	Maximum exposure to loss 30 June 2014 \$'000		Fair Value as at 30 June 2014 \$'000	Exposure 30 June 2014 %	Maximum exposure to loss 30 June 2014 \$'000
Type of structured entities				Type of structured entities			
Unlisted unit trusts	17,355	3.2	17,355	Unlisted unit trusts	4,240	1.8	4,240
Total	17,355	3.2	17,355	Total	4,240	1.8	4,240

The fair value of the exposure will change on a daily basis throughout the period and in subsequent periods and will cease once the investments are disposed of.

The unconsolidated structured entities are managed in accordance with the investment strategy with the respective investment managers. The investment decisions are based on the analysis conducted by the investment managers. The returns of the unconsolidated entities are exposed to the variability of the performance of the investment strategies. The investment managers receive a management fee for undertaking the management of these investments.

18 Events occurring after the reporting period

No significant events have occurred since the balance sheet date which would impact on the financial position of the Schemes disclosed in the balance sheet as at 30 June 2014 or on the results and cash flows of the Schemes for the year ended on that date.

19 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2014 or 30 June 2013.

Directors' declaration

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

- (a) the annual financial statements and notes, set out on pages 9 to 96, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial position as at 30 June 2014 and of their performance 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) the financial report also complies with International Financial Reporting Standards as discussed in note 2(a).

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



Director

Sydney
24 September 2014



Independent auditor's report to the unitholders of Perpetual Private Investment Funds (formerly known as Perpetual Select Investment Fund)

Report on the financial report

We have audited the accompanying financial report of Perpetual Private Investment Funds (the Schemes), which comprises the balance sheets as at 30 June 2014, and the statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on that date, notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Schemes' financial positions and of their performance.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Perpetual Private Investment Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Schemes' financial positions as at 30 June 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

KPMG

Michael O Connell

Partner

Sydney

24 September 2014



NEW SOUTH WALES

Angel Place
Level 12
123 Pitt Street
Sydney NSW 2000

**AUSTRALIAN CAPITAL
TERRITORY**

Level 6
10 Rudd Street
Canberra ACT 2601

VICTORIA

Rialto South Tower
Level 35
525 Collins Street
Melbourne VIC 3000

SOUTH AUSTRALIA

Level 11
101 Grenfell Street
Adelaide SA 5000

WESTERN AUSTRALIA

Exchange Plaza
Level 29
2 The Esplanade
Perth WA 6000

QUEENSLAND

Central Plaza 1
Level 15
345 Queen Street
Brisbane QLD 4000

www.perpetual.com.au