

PERPETUAL PRIVATE INVESTMENT FUNDS

ANNUAL FINANCIAL REPORT
30 JUNE 2017

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

**Perpetual Private Investment Funds
Annual Financial Report
30 June 2017**

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Private Investment Funds, present their report together with the annual financial report of Perpetual Private Investment Funds ("the Schemes") for the year ended 30 June 2017 and the auditor's report thereon.

The following are the Schemes included within this report:

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

Responsible Entity

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

Directors

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

G Foster (appointed 25 January 2013, Alternate for G Larkins)
J Hawkins (appointed 6 July 2012, resigned 24 February 2017)
D Kiddie (appointed 24 February 2016, resigned 3 November 2016)
D Lane (appointed 20 April 2017)
G Larkins (appointed 7 January 2013)
P Lynch (appointed 6 July 2012, resigned 24 February 2017, Alternate for J Hawkins)
A Shelley (appointed 24 February 2017, resigned 20 April 2017)
M Smith (appointed 3 November 2016)
P Statham (appointed 24 February 2016, resigned 3 November 2016, Alternate for D Kiddie)
D Winterton (appointed 24 February 2016, resigned 14 October 2016, Alternate for D Kiddie)

Directors' report (continued)

Principal activities

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

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

The Schemes did not have any employees during the year.

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

Review and results of operations

During the year, the Schemes 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 Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Operating profit/(loss) before finance costs attributable to unitholders	116,559	29,045	20,682	25,373	190,630	(6,093)	(3,474)	76,754
Distributions paid and payable	28,887	25,946	20,073	25,795	25,248	9,812	7,027	-
Distributions (cents per unit) - Class R	3.64	3.13	1.42	2.68	1.42	0.30	0.45	-
Distributions (cents per unit) - Class I	3.86	3.35	2.73	3.98	3.15	1.60	2.40	-

Directors' report (continued)

Review and results of operations (continued)

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

	Geared Australian Share Fund¹		Balanced Fund		Conservative Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$	\$	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	722,265	111,750	13,277	5,231	507	324
Distributions paid and payable	298,897	495,077	7,614	7,657	167	226
Distributions (cents per unit)	4.38	8.15	4.64	4.53	1.41	1.89
	Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	2,055	1,102	3,777	993	1,213	159
Distributions paid and payable	640	809	824	460	342	221
Distributions (cents per unit)	1.78	2.18	2.43	1.36	3.54	2.03

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Directors' report (continued)

Interests in the Schemes

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

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

Significant changes in state of affairs

On 21 June 2017 the Responsible Entity approved changes to the Schemes' Constitutions to allow them to operate as Attribution Managed Investment Trusts ("AMIT"). These changes will be applicable from the time an election is made by the Responsible Entity to adopt the AMIT regime for the Schemes. This election has not yet been made at the date of this report.

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 2017 that has significantly affected, or may significantly affect:

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

Environmental regulation

The operations of the Schemes are not subject to any particular or significant environmental regulations under a 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 14 to the financial statements.

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

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

Directors' report (continued)

Indemnification and insurance of officers and auditors

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

Rounding of amounts to the nearest thousand dollars

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

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

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



Director

Sydney
20 September 2017



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

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

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

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

I declare that, to the best of my knowledge and belief, in relation to each of the audits of the Schemes for the financial year ended 30 June 2017 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

Jessica Davis

Partner

Sydney

20 September 2017

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2017

Statements of comprehensive income	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Investment income										
Dividend/distribution income	49,201	60,325	20,993	26,878	19,837	19,819	24,091	18,215	182,382	152,187
Interest income	3,501	2,771	1,169	816	447	242	586	594	2,627	4,058
Net gains/(losses) on financial instruments held at fair value through profit or loss	89,233	(5,492)	609	(467)	191,339	(13,988)	(20,130)	65,202	549,600	(31,883)
Net foreign exchange gains/(losses)	(2)	(11)	-	-	(1,782)	4,044	(593)	(791)	-	-
Other income	196	236	-	-	58	-	58	50	166,408	155,282
Total net investment income/(loss)	142,129	57,829	22,771	27,227	209,899	10,117	4,012	83,270	901,017	279,644
Expenses										
Responsible Entity's fees	23,106	23,459	1,994	1,752	15,833	13,940	6,776	5,703	166,200	155,041
Other operating expenses	2,464	5,325	95	102	3,436	2,270	710	813	12,552	12,853
Total expenses	25,570	28,784	2,089	1,854	19,269	16,210	7,486	6,516	178,752	167,894
Operating profit/(loss)	116,559	29,045	20,682	25,373	190,630	(6,093)	(3,474)	76,754	722,265	111,750
Finance costs attributable to unitholders										
Distributions to unitholders	28,887	25,946	20,073	25,795	25,248	9,812	7,027	-	298,897	495,077
Interest expense	2	-	-	-	14	12	12	8	146,515	153,727
Changes in net assets attributable to unitholders	87,670	3,099	609	(422)	165,368	(15,917)	(10,513)	76,746	276,853	(537,054)
Profit/(loss)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of comprehensive income
For the year ended 30 June 2017
(continued)

Statements of comprehensive income	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income										
Dividend/distribution income	5,086	5,132	336	415	1,049	1,277	1,113	827	308	206
Interest income	221	85	22	20	72	59	37	40	5	14
Net gains/(losses) on financial instruments held at fair value through profit or loss	9,542	1,490	334	84	1,387	200	2,905	419	939	(21)
Other income	-	-	-	-	-	-	-	-	187	186
Total net investment income/(loss)	14,849	6,707	692	519	2,508	1,536	4,055	1,286	1,439	385
Expenses										
Responsible Entity's fees	1,530	1,421	148	151	416	390	237	244	213	213
Other operating expenses	42	55	37	44	37	44	41	49	13	13
Total expenses	1,572	1,476	185	195	453	434	278	293	226	226
Operating profit/(loss)	13,277	5,231	507	324	2,055	1,102	3,777	993	1,213	159
Finance costs attributable to unitholders										
Distributions to unitholders	7,614	7,657	167	226	640	809	824	460	342	221
Interest expense	-	-	-	-	-	-	-	-	129	150
Changes in net assets attributable to unitholders	5,663	(2,426)	340	98	1,415	293	2,953	533	742	(212)
Profit/(loss)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-

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

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2017

Balance sheets	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund¹	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Assets											
Cash and cash equivalents	12(b)	94,072	60,988	126,803	68,968	120,240	101,953	48,730	39,550	128,087	64,555
Financial assets held at fair value through profit or loss	7	1,132,464	1,133,083	691,394	630,157	1,191,208	964,414	530,786	508,753	8,325,710	7,353,394
Receivables for securities sold		1,160	1,050	-	-	4,398	16	4,472	1,367	-	181,000
Receivables	9	13,012	19,670	8,549	18,962	8,376	8,299	7,280	6,044	119,328	100,881
Total assets		1,240,708	1,214,791	826,746	718,087	1,324,222	1,074,682	591,268	555,714	8,573,125	7,699,830
Liabilities											
Financial liabilities held at fair value through profit or loss	8	2,474	2,006	-	-	-	-	-	480	-	-
Distributions payable to unitholders of the Schemes	5	11,877	10,302	7,343	15,910	25,248	9,812	7,027	-	298,897	495,077
Payables for securities purchased		6,105	2,949	-	-	2,164	5,354	5,595	3,433	-	-
Payables	10	2,196	5,129	854	605	4,126	1,822	926	1,004	34,187	40,768
Borrowings	11	-	-	-	-	-	-	-	-	4,263,278	3,851,729
Interest payables	11	-	-	-	-	-	-	-	-	398	384
Total liabilities (excluding net assets attributable to unitholders)		22,652	20,386	8,197	16,515	31,538	16,988	13,548	4,917	4,596,760	4,387,958
Net assets attributable to unitholders - liability	6	1,218,056	1,194,405	818,549	701,572	1,292,684	1,057,694	577,720	550,797	3,976,365	3,311,872

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Balance sheets
As at 30 June 2017
(continued)

Balance sheets	Notes	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
		30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Assets											
Cash and cash equivalents	12(b)	16,004	12,812	1,258	1,511	5,055	3,541	1,802	2,032	85	609
Financial assets held at fair value through profit or loss	7	187,703	190,528	12,553	12,299	37,136	38,464	44,117	40,807	11,429	10,809
Receivables for securities sold		-	-	-	-	-	-	-	-	-	164
Receivables	9	1,756	2,744	115	201	325	593	424	337	156	116
Total assets		205,463	206,084	13,926	14,011	42,516	42,598	46,343	43,176	11,670	11,698
Liabilities											
Distributions payable to unitholders of the Schemes	5	6,358	6,548	111	166	518	576	660	402	342	221
Payables	10	187	288	36	47	61	62	47	50	44	102
Borrowings	11	-	-	-	-	-	-	-	-	3,973	3,867
Total liabilities (excluding net assets attributable to unitholders)		6,545	6,836	147	213	579	638	707	452	4,359	4,190
Net assets attributable to unitholders - liability	6	198,918	199,248	13,779	13,798	41,937	41,960	45,636	42,724	7,311	7,508

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
Statements of cash flows
For the year ended 30 June 2017

Statements of cash flows	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Cash flows from operating activities										
Dividends/distributions received	56,686	55,442	29,627	18,531	17,137	21,273	23,136	17,427	166,314	135,952
Interest received	3,554	2,766	1,259	755	464	236	624	600	2,735	3,982
Other income received	2,271	2,490	147	126	1,169	1,034	558	477	176,601	171,396
Responsible Entity's fees paid	(24,801)	(25,434)	(2,117)	(1,860)	(16,755)	(14,983)	(7,221)	(6,064)	(176,881)	(169,273)
Other operating expenses paid	(5,030)	(7,923)	(105)	(99)	(1,392)	(2,527)	(739)	(813)	(12,765)	(13,168)
Net cash inflow/(outflow) from operating activities	32,680	27,341	28,811	17,453	623	5,033	16,358	11,627	156,004	128,889
Cash flows from investing activities										
Proceeds from sale of investments	710,369	473,810	-	-	713,480	295,783	247,910	207,529	1,348,598	3,231,302
Payments for purchase of investments	(617,005)	(456,300)	(60,628)	(86,530)	(756,750)	(430,134)	(292,067)	(267,212)	(1,590,314)	(2,373,952)
Net cash inflow/(outflow) from investing activities	93,364	17,510	(60,628)	(86,530)	(43,270)	(134,351)	(44,157)	(59,683)	(241,716)	857,350
Cash flows from financing activities										
Proceeds from applications by unitholders	102,259	106,323	202,661	209,772	223,074	222,938	102,859	93,744	848,998	991,580
Payments for redemptions by unitholders	(190,274)	(148,398)	(84,872)	(83,030)	(151,959)	(74,135)	(65,846)	(45,254)	(963,620)	(1,391,091)
Distributions paid	(4,943)	(2,923)	(28,137)	(17,008)	(8,628)	(6,577)	-	-	(1,182)	(488)
Proceeds from borrowings	-	-	-	-	-	-	-	-	1,570,549	2,431,304
Repayments of borrowings	-	-	-	-	-	-	-	-	(1,159,000)	(2,899,000)
Interest expense paid	(2)	-	-	-	(14)	(12)	(12)	(8)	(146,501)	(193,165)
Net cash inflow/(outflow) from financing activities	(92,960)	(44,998)	89,652	109,734	62,473	142,214	37,001	48,482	149,244	(1,060,860)
Net increase/(decrease) in cash and cash equivalents	33,084	(147)	57,835	40,657	19,826	12,896	9,202	426	63,532	(74,621)
Cash and cash equivalents at the beginning of the year	60,988	61,135	68,968	28,311	101,953	90,626	39,550	39,091	64,555	139,176
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(1,539)	(1,569)	(22)	33	-	-
Cash and cash equivalents at the end of the year	94,072	60,988	126,803	68,968	120,240	101,953	48,730	39,550	128,087	64,555

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Perpetual Private Investment Funds
Statements of cash flows
For the year ended 30 June 2017
(continued)

Statements of cash flows	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Dividends/distributions received	5,473	4,541	416	354	1,315	1,046	1,024	775	260	220
Interest received	238	75	24	19	77	58	40	42	6	14
Other income received	112	108	14	13	32	31	19	21	201	209
Responsible Entity's fees paid	(1,639)	(1,527)	(160)	(164)	(446)	(419)	(254)	(267)	(227)	(235)
Other operating expenses paid	(46)	(54)	(41)	(41)	(41)	(41)	(46)	(45)	(13)	(13)
Net cash inflow/(outflow) from operating activities	4,138	3,143	253	181	937	675	783	526	227	195
Cash flows from investing activities										
Proceeds from sale of investments	20,844	20,030	699	3,035	6,784	5,720	2,519	6,464	1,713	4,187
Payments for purchase of investments	(8,477)	(4,541)	(619)	(1,154)	(4,069)	(4,647)	(2,924)	(4,276)	(1,230)	(1,845)
Net cash inflow/(outflow) from investing activities	12,367	15,489	80	1,881	2,715	1,073	(405)	2,188	483	2,342
Cash flows from financing activities										
Proceeds from applications by unitholders	10,959	8,967	2,368	1,644	2,533	2,443	4,264	1,876	1,381	1,461
Payments for redemptions by unitholders	(17,412)	(18,046)	(2,843)	(2,516)	(4,163)	(3,194)	(4,482)	(5,778)	(2,584)	(2,936)
Distributions paid	(6,860)	(2,024)	(111)	(80)	(508)	(324)	(390)	(120)	(8)	(8)
Proceeds from borrowings	-	-	-	-	-	-	-	-	930	1,344
Repayments of borrowings	-	-	-	-	-	-	-	-	(824)	(2,114)
Interest expense paid	-	-	-	-	-	-	-	-	(129)	(193)
Net cash inflow/(outflow) from financing activities	(13,313)	(11,103)	(586)	(952)	(2,138)	(1,075)	(608)	(4,022)	(1,234)	(2,446)
Net increase/(decrease) in cash and cash equivalents	3,192	7,529	(253)	1,110	1,514	673	(230)	(1,308)	(524)	91
Cash and cash equivalents at the beginning of the year	12,812	5,283	1,511	401	3,541	2,868	2,032	3,340	609	518
Cash and cash equivalents at the end of the year	16,004	12,812	1,258	1,511	5,055	3,541	1,802	2,032	85	609

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

1 General information

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

The Responsible Entity of the Schemes is Perpetual Investment Management Limited. The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

The annual financial report was authorised for issue by the directors of the Responsible Entity on 20 September 2017. The directors of the Responsible Entity have the power to amend and reissue the annual financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this annual financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The annual financial report contains general purpose financial statements of the Schemes which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

The annual financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The annual financial report of the Schemes also complies with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Schemes' functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are continuously evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretation

Certain new accounting standards and interpretations have been published, but are not yet mandatory and have not been early adopted by the Schemes for the reporting period ended 30 June 2017. The assessment of the impact of these new standards (to the extent relevant to the Schemes) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

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

Management does not expect this standard 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.

(ii) AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Schemes' main sources of income are interest, dividends/distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, management does not expect the adoption of the new revenue recognition rules to have a significant impact on the Schemes' accounting policies or the amounts recognised in the financial statements.

(c) Financial instruments

(i) *Classification*

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

- Financial instruments held for trading

All derivatives are classified as held for trading. The Schemes do not designate any derivatives as hedges in a hedging relationship.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Classification (continued)

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

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

These investments are managed and their performance is evaluated on a fair value basis in accordance with the investment strategy of the Schemes.

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 16(d).

(iv) Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

Units are redeemable at unitholders' option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Schemes are required to distribute their distributable income, in accordance with the Schemes' Constitutions.

The units can be put back to the Schemes at any time for cash based on the redemption price. The units are carried at the redemption amount that is payable at the balance sheet date if the unitholders exercise their right to put the units back to the Schemes.

(e) Cash and cash equivalents

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

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

(f) Receivables

Receivables include accrued income and application monies receivables. Receivables are measured at their nominal amounts. Amounts are generally received within 30 days of being accrued for. Given the short term nature of most receivables, the nominal amount approximates fair value.

(g) Payables

Payables include accrued expenses and redemption monies owing by the Schemes which are unpaid at the end of the reporting date. Amounts are generally paid within 30 days of being accrued for. Given the short term nature of most payables, the nominal amount approximates fair value.

(h) Investment income

Interest income on cash balances is recognised in profit or loss as it accrues using the nominated interest rates available on the bank accounts held.

Dividend income is recognised on the ex-dividend date.

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

Other income is brought to account on an accruals basis.

2 Summary of significant accounting policies (continued)

(i) Expenses

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

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

(j) Income tax

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 reinvestment.

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

(k) Distributions

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

(l) Changes in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Changes in net assets attributable to unitholders are recognised in profit or loss as finance costs attributable to unitholders.

(m) Goods and Services Tax

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

(n) Foreign currency translation

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

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Net unrealised gains/(losses) on financial instruments held for trading	1,831	(940)	-	-	-	-	(2,377)	4,219	-	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	15,883	(20,233)	609	(467)	96,821	(30,892)	(51,748)	14,529	448,512	(372,430)
Net realised gains/(losses) on financial instruments held for trading	5,249	2,641	-	-	1,015	(27)	6,360	(7,207)	-	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	66,270	13,040	-	-	93,503	16,931	27,635	53,661	101,088	340,547
Net gains/(losses) on financial instruments held at fair value through profit or loss	89,233	(5,492)	609	(467)	191,339	(13,988)	(20,130)	65,202	549,600	(31,883)

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments held for trading	-	166	-	9	-	29	-	31	-	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	5,726	(2,908)	318	24	1,064	285	2,533	(300)	433	(1,275)
Net realised gains/(losses) on financial instruments held for trading	-	(49)	-	(2)	-	(39)	-	(49)	-	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	3,816	4,281	16	53	323	(75)	372	737	506	1,254
Net gains/(losses) on financial instruments held at fair value through profit or loss	9,542	1,490	334	84	1,387	200	2,905	419	939	(21)

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

4 Other operating expenses

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Transaction costs	1,905	1,422	-	-	794	628	537	631	-	-
Performance fees	266	3,539	-	-	2,080	1,196	-	-	-	-
Sundry expenses	293	364	95	102	562	446	173	182	12,552	12,853
Total	2,464	5,325	95	102	3,436	2,270	710	813	12,552	12,853

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transaction costs	-	2	-	-	-	-	-	-	-	-
Sundry expenses	42	53	37	44	37	44	41	49	13	13
Total	42	55	37	44	37	44	41	49	13	13

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund - Class R				Fixed Income Fund - Class R			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2016	2016	2017	2017	2016	2016
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	4,402	0.66	4,075	0.54	155	0.36	125	0.28
Distributions paid - December	5,286	0.78	6,791	0.92	231	0.55	70	0.16
Distributions paid - March	4,204	0.67	2,850	0.40	6	0.01	147	0.34
Distributions payable - June	9,621	1.53	8,751	1.27	195	0.50	825	1.90
	23,513		22,467		587		1,167	
	Australian Share Fund - Class I				Fixed Income Fund - Class I			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2016	2016	2017	2017	2016	2016
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	853	0.67	489	0.58	3,874	0.58	2,760	0.49
Distributions paid - December	1,170	0.87	846	0.90	6,044	0.87	2,786	0.48
Distributions paid - March	1,095	0.77	593	0.56	2,420	0.34	3,997	0.66
Distributions payable - June	2,256	1.55	1,551	1.31	7,148	0.94	15,085	2.35
	5,374		3,479		19,486		24,628	
Total distributions	28,887		25,946		20,073		25,795	

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	International Share Fund - Class R				Real Estate Fund - Class R			
	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU
Distributions payable - June	5,114	1.42	1,270	0.30	1,117	0.45	-	-
	<u>5,114</u>		<u>1,270</u>		<u>1,117</u>		<u>-</u>	<u>-</u>
	International Share Fund - Class I				Real Estate Fund - Class I			
	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU
Distributions payable - June	20,134	3.15	8,542	1.60	5,910	2.40	-	-
	<u>20,134</u>		<u>8,542</u>		<u>5,910</u>		<u>-</u>	<u>-</u>
Total distributions	<u>25,248</u>		<u>9,812</u>		<u>7,027</u>		<u>-</u>	<u>-</u>

5 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Geared Australian Share Fund ¹				Balanced Fund			
	30 June 2017 \$	30 June 2017 CPU	30 June 2016 \$	30 June 2016 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU
Distributions paid - September	-	-	-	-	552	0.33	290	0.17
Distributions paid - December	-	-	-	-	457	0.28	380	0.22
Distributions paid - March	-	-	-	-	247	0.15	439	0.26
Distributions payable - June	298,897	4.38	495,077	8.15	6,358	3.88	6,548	3.88
Total distributions	298,897		495,077		7,614		7,657	

	Conservative Fund				Diversified Fund			
	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU
Distributions paid - September	32	0.26	44	0.37	92	0.25	87	0.23
Distributions paid - December	24	0.20	5	0.05	30	0.08	78	0.21
Distributions paid - March	-	-	11	0.09	-	-	68	0.18
Distributions payable - June	111	0.95	166	1.38	518	1.45	576	1.56
Total distributions	167		226		640		809	

	Growth Fund				Geared High Growth Fund			
	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2016 \$'000	30 June 2016 CPU
Distributions paid - September	76	0.22	-	-	-	-	-	-
Distributions paid - December	65	0.18	18	0.05	-	-	-	-
Distributions paid - March	23	0.07	40	0.11	-	-	-	-
Distributions payable - June	660	1.96	402	1.20	342	3.54	221	2.03
Total distributions	824		460		342		221	

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders

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

	Australian Share Fund				Fixed Income Fund			
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	807,102	809,113	1,194,405	1,214,713	684,590	559,809	701,572	572,798
Applications	75,438	85,050	103,343	106,097	194,943	205,239	200,966	212,181
Redemptions	(120,702)	(99,823)	(189,731)	(148,947)	(82,687)	(80,763)	(85,101)	(83,296)
Units issued upon reinvestment of distributions	13,940	12,762	22,369	19,443	494	305	503	311
Changes in net assets attributable to unitholders	-	-	87,670	3,099	-	-	609	(422)
Closing balance	775,778	807,102	1,218,056	1,194,405	797,340	684,590	818,549	701,572

	International Share Fund				Real Estate Fund			
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	953,467	831,239	1,057,694	919,573	465,642	428,846	550,797	424,910
Applications	171,991	187,368	220,398	225,269	81,578	77,360	103,156	94,696
Redemptions	(127,594)	(68,096)	(151,960)	(74,194)	(53,847)	(40,564)	(65,720)	(45,555)
Units issued upon reinvestment of distributions	1,199	2,956	1,184	2,963	-	-	-	-
Changes in net assets attributable to unitholders	-	-	165,368	(15,917)	-	-	(10,513)	76,746
Closing balance	999,063	953,467	1,292,684	1,057,694	493,373	465,642	577,720	550,797

As stipulated within the Schemes' Constitutions, each unit in a unit class represents a right to a unit in the class within the Schemes and does not extend to a right to the underlying assets of the Schemes. There are two classes of units in the Schemes - Class R is offered through the Perpetual Select Investment Funds Product Disclosure Statement and Class I is offered through the Implemented Portfolios Product Disclosure Statement.

6 Net assets attributable to unitholders (continued)

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

	Geared Australian Share Fund ¹				Balanced Fund			
	30 June 2017 Units	30 June 2016 Units	30 June 2017 \$	30 June 2016 \$	30 June 2017 Units '000	30 June 2016 Units '000	30 June 2017 \$'000	30 June 2016 \$'000
Net assets attributable to unitholders								
Opening balance	6,076,487	6,339,302	3,311,872	4,024,419	168,729	175,599	199,248	209,871
Applications	1,400,208	1,593,157	848,920	975,370	8,448	8,059	10,373	9,702
Redemptions	(1,565,086)	(2,202,453)	(955,175)	(1,370,822)	(14,257)	(15,157)	(17,310)	(18,171)
Units issued upon reinvestment of distributions	906,177	346,481	493,895	219,959	796	228	944	272
Changes in net assets attributable to unitholders	-	-	276,853	(537,054)	-	-	5,663	(2,426)
Closing balance	6,817,786	6,076,487	3,976,365	3,311,872	163,716	168,729	198,918	199,248

	Conservative Fund				Diversified Fund			
	30 June 2017 Units '000	30 June 2016 Units '000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 Units '000	30 June 2016 Units '000	30 June 2017 \$'000	30 June 2016 \$'000
Net assets attributable to unitholders								
Opening balance	12,075	12,725	13,798	14,450	36,970	37,525	41,960	42,281
Applications	2,027	1,437	2,365	1,640	2,171	2,173	2,535	2,446
Redemptions	(2,439)	(2,151)	(2,835)	(2,463)	(3,562)	(2,847)	(4,163)	(3,194)
Units issued upon reinvestment of distributions	97	64	111	73	167	119	190	134
Changes in net assets attributable to unitholders	-	-	340	98	-	-	1,415	293
Closing balance	11,760	12,075	13,779	13,798	35,746	36,970	41,937	41,960

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. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders (continued)

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

	Growth Fund				Geared High Growth Fund			
	30 June 2017 Units '000	30 June 2016 Units '000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 Units '000	30 June 2016 Units '000	30 June 2017 \$'000	30 June 2016 \$'000
Net assets attributable to unitholders								
Opening balance	33,563	36,591	42,724	46,040	10,910	12,737	7,508	9,056
Applications	3,238	1,486	4,265	1,876	1,841	2,030	1,372	1,447
Redemptions	(3,326)	(4,556)	(4,482)	(5,778)	(3,405)	(4,155)	(2,524)	(2,995)
Units issued upon reinvestment of distributions	137	42	176	53	309	298	213	212
Changes in net assets attributable to unitholders	-	-	2,953	533	-	-	742	(212)
Closing balance	33,612	33,563	45,636	42,724	9,655	10,910	7,311	7,508

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. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes.

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders 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		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Held for trading										
Futures	-	14	-	-	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	-	-	-	-	2,858	-	-
	-	14	-	-	-	-	-	2,858	-	-
Designated at fair value through profit or loss										
Equities	1,068,449	1,083,218	-	-	1,118,054	884,225	524,706	503,674	-	-
Debt securities	41,274	22,357	-	-	-	-	-	-	-	-
Unlisted unit trusts	22,741	27,494	691,394	630,157	73,154	80,189	6,080	2,221	8,325,710	7,353,394
	1,132,464	1,133,069	691,394	630,157	1,191,208	964,414	530,786	505,895	8,325,710	7,353,394
Total financial assets held at fair value through profit or loss	1,132,464	1,133,083	691,394	630,157	1,191,208	964,414	530,786	508,753	8,325,710	7,353,394
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Designated at fair value through profit or loss										
Unlisted unit trusts	187,703	190,528	12,553	12,299	37,136	38,464	44,117	40,807	11,429	10,809
Total financial assets held at fair value through profit or loss	187,703	190,528	12,553	12,299	37,136	38,464	44,117	40,807	11,429	10,809

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

8 Financial liabilities held at fair value through profit or loss

		Australian Share Fund	
		30 June	30 June
		2017	2016
		\$'000	\$'000
Held for trading			
Futures		9	-
Options		2,369	1,871
Foreign exchange forward contracts		96	135
Total financial liabilities held at fair value through profit or loss		2,474	2,006
		Real Estate Fund	
		30 June	30 June
		2017	2016
		\$'000	\$'000
Held for trading			
Foreign exchange forward contracts		-	480
Total financial liabilities held at fair value through profit or loss		-	480

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Dividends/distributions receivable	10,602	18,087	6,562	15,196	5,005	2,305	5,434	4,479	76,478	60,410
Interest receivable	49	102	5	95	2	19	2	40	5	113
Applications receivable	1,750	666	1,925	3,620	2,099	4,775	1,661	1,364	24,706	24,784
Other receivables	611	815	57	51	1,270	1,200	183	161	18,139	15,574
Total receivables	13,012	19,670	8,549	18,962	8,376	8,299	7,280	6,044	119,328	100,881

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividends/distributions receivable	1,491	1,878	97	177	273	539	375	286	103	55
Interest receivable	1	18	-	2	-	5	-	3	-	1
Applications receivable	224	810	13	16	39	37	41	40	32	41
Other receivables	40	38	5	6	13	12	8	8	21	19
Total receivables	1,756	2,744	115	201	325	593	424	337	156	116

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
Responsible Entity's fees payable	2,024	2,028	192	169	1,502	1,266	609	558	15,411	13,931
Performance fees payable	-	2,367	-	-	2,080	-	-	-	-	-
Other fees payable	117	136	29	32	115	128	71	74	11,503	11,119
Redemptions payable	55	598	633	404	429	428	246	372	7,273	15,718
Total payables	2,196	5,129	854	605	4,126	1,822	926	1,004	34,187	40,768

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	137	134	13	13	37	36	20	20	20	19
Other fees payable	27	29	23	26	24	26	27	30	12	11
Redemptions payable	23	125	-	8	-	-	-	-	12	72
Total payables	187	288	36	47	61	62	47	50	44	102

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

11 Borrowings

	Geared Australian Share Fund ¹		Geared High Growth Fund	
	30 June 2017 \$	30 June 2016 \$	30 June 2017 \$'000	30 June 2016 \$'000
Bank loans	4,263,278	3,851,729	3,973	3,867
Interest payables	398	384	-	-
	4,263,676	3,852,113	3,973	3,867

The carrying amount of the bank loans represents amount drawn under a cash advance facility, which approximates the fair value. This arrangement is available for Geared Australian Share Fund and Geared High Growth Fund for the purpose of gearing of the investments of the Schemes.

Geared Australian Share Fund

The cash advance facility is limited to \$6 million (2016: \$6 million), however gearing is not allowed to exceed 60% of the Scheme's assets. The interest rate applicable to the cash advance facility is 3.41% at 30 June 2017 (2016: 3.66%).

Geared High Growth Fund

The cash advance facility is limited to \$5 million (2016: \$5 million), however gearing is not allowed to exceed 50% of the Scheme's assets. The interest rate applicable to the cash advance facility is 3.41% at 30 June 2017 (2016: 3.66%).

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities										
Operating profit/(loss)	116,559	29,045	20,682	25,373	190,630	(6,093)	(3,474)	76,754	722,265	111,750
(Increase)/decrease in dividends/distributions receivable	7,485	(4,883)	8,634	(8,347)	(2,700)	1,454	(955)	(788)	(16,068)	(16,235)
(Increase)/decrease in interest receivable	53	(5)	90	(61)	17	(6)	38	6	108	(76)
(Increase)/decrease in other receivables	204	150	(6)	(9)	(70)	(104)	(22)	(18)	(2,565)	4,151
Increase/(decrease) in payables	(2,390)	(2,469)	20	30	2,303	(162)	48	84	1,864	(2,584)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(89,233)	5,492	(609)	467	(191,339)	13,988	20,130	(65,202)	(549,600)	31,883
Net foreign exchange (gains)/losses	2	11	-	-	1,782	(4,044)	593	791	-	-
Net cash inflow/(outflow) from operating activities	32,680	27,341	28,811	17,453	623	5,033	16,358	11,627	156,004	128,889
(b) Components of cash and cash equivalents										
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:										
Cash on hand	78,871	58,689	126,803	68,968	120,240	101,953	48,730	39,550	128,087	64,555
Deposits at call	15,093	2,001	-	-	-	-	-	-	-	-
Margin accounts	108	298	-	-	-	-	-	-	-	-
Total cash and cash equivalents	94,072	60,988	126,803	68,968	120,240	101,953	48,730	39,550	128,087	64,555
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	22,369	19,443	503	311	1,184	2,963	-	-	493,895	219,959

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities										
Operating profit/(loss)	13,277	5,231	507	324	2,055	1,102	3,777	993	1,213	159
(Increase)/decrease in dividends/distributions receivable	387	(591)	80	(61)	266	(231)	(89)	(52)	(48)	14
(Increase)/decrease in interest receivable	17	(10)	2	(1)	5	(1)	3	2	1	-
(Increase)/decrease in other receivables	(2)	-	1	(1)	(1)	-	-	-	(2)	7
Increase/(decrease) in payables	1	3	(3)	4	(1)	5	(3)	2	2	(6)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(9,542)	(1,490)	(334)	(84)	(1,387)	(200)	(2,905)	(419)	(939)	21
Net cash inflow/(outflow) from operating activities	4,138	3,143	253	181	937	675	783	526	227	195
(b) Components of cash and cash equivalents										
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:										
Cash on hand	16,004	12,812	1,258	1,511	5,055	3,541	1,802	2,032	85	609
Total cash and cash equivalents	16,004	12,812	1,258	1,511	5,055	3,541	1,802	2,032	85	609
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	944	272	111	73	190	134	176	53	213	212

13 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG: Audit and review of financial report and compliance plan	22,483	21,619	12,726	12,327	23,692	22,799	23,692	22,799	11,897	11,518

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG: Audit and review of financial report and compliance plan	15,424	15,658	11,897	12,217	11,897	12,217	15,424	15,658	11,897	11,518

Audit fees were paid or payable by the Schemes.

14 Related party transactions

Responsible Entity

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

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

Key management personnel

(a) Directors

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

G Foster (appointed 25 January 2013, Alternate for G Larkins)
J Hawkins (appointed 6 July 2012, resigned 24 February 2017)
D Kiddie (appointed 24 February 2016, resigned 3 November 2016)
D Lane (appointed 20 April 2017)
G Larkins (appointed 7 January 2013)
P Lynch (appointed 6 July 2012, resigned 24 February 2017, Alternate for J Hawkins)
A Shelley (appointed 24 February 2017, resigned 20 April 2017)
M Smith (appointed 3 November 2016)
P Statham (appointed 24 February 2016, resigned 3 November 2016, Alternate for D Kiddie)
D Winterton (appointed 24 February 2016, resigned 14 October 2016, Alternate for D Kiddie)

(b) Other key management personnel

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

Key management personnel unitholdings

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

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2017 (2016: nil).

14 Related party transactions (continued)

Transactions with key management personnel

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

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

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 are expressed as a percentage of the net asset values of the relevant unit classes of the Schemes offering multi unit classes or the net asset values of the Schemes offering a single unit class.

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

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

14 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		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable directly by the Scheme	23,105,595	23,459,311	1,993,756	1,751,700	15,832,983	13,939,588	6,775,716	5,702,649	166,200	155,041
Responsible Entity's rebates received and receivable directly by the Scheme	-	-	-	-	-	-	-	-	166,408	155,278
Fees payable to the Responsible Entity at the reporting date	2,023,880	2,028,438	192,096	168,744	1,502,159	1,265,805	608,673	558,409	15,411	13,931
Rebates receivable from the Responsible Entity at the reporting date	-	-	-	-	-	-	-	-	14,377	12,998
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable directly by the Scheme	1,529,861	1,421,258	148,101	150,745	416,076	389,785	237,153	243,946	212,676	212,849
Responsible Entity's rebates received and receivable directly by the Scheme	-	-	-	-	-	-	-	-	186,639	185,776
Fees payable to the Responsible Entity at the reporting date	136,841	133,701	12,733	13,309	36,637	36,125	20,056	19,701	20,028	19,119
Rebates receivable from the Responsible Entity at the reporting date	-	-	-	-	-	-	-	-	16,502	15,777

14 Related party transactions (continued)

Related party unitholdings

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

Australian Share Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	242,227	33.1	12,171	14,412	8,632	244,468	31.7	21,876	10,606	7,744
Perpetual Charitable Endowment Fund	60,380	8.2	13,257	1,852	2,057	48,975	6.3	6,492	707	1,527
Perpetual Private Balanced Fund	28,094	3.8	620	4,018	1,022	31,492	4.1	610	4,222	1,046
Perpetual Private Conservative Fund	978	0.1	21	70	36	1,027	0.1	19	95	32
Perpetual Private Diversified Fund	4,053	0.6	304	402	147	4,151	0.5	416	1,412	149
Perpetual Private Geared Australian Share Fund	5,006	0.7	974	720	182	4,752	0.6	1,568	2,270	152
Perpetual Private Geared High Growth Fund	3,317	0.5	462	552	117	3,407	0.4	582	1,431	105
Perpetual Private Growth Fund	8,396	1.1	483	557	305	8,470	1.1	358	1,046	281
Australian Eligible Rollover Fund	65,622	9.0	3,369	33,429	2,874	95,682	12.4	4,036	15,754	3,250
Perpetual Super Wrap	-	-	-	-	-	-	-	-	293	2
Perpetual's Select Superannuation Fund	201,194	27.5	13,291	47,524	7,754	235,427	30.5	9,582	51,877	7,838
Unitholders - Class I										
Perpetual Super Wrap	59,706	40.9	15,812	5,955	2,177	49,849	42.0	13,972	3,319	1,556

14 Related party transactions (continued)

Related party unitholdings (continued)

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

Fixed Income Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Super Wrap	413	0.1	10	-	6	403	0.1	135	20	10
Perpetual's Select Superannuation Fund	12,828	1.6	1,502	4,435	205	15,761	2.3	1,858	2,517	422
Unitholders - Class I										
Perpetual Super Wrap	215,884	28.5	46,099	16,956	5,547	186,741	29.1	50,705	19,132	7,217
International Share Fund										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Private Balanced Fund	40,281	3.5	138	4,956	573	45,099	4.2	355	4,000	136
Perpetual Private Conservative Fund	1,614	0.1	5	23	23	1,632	0.2	396	204	5
Perpetual Private Diversified Fund	5,797	0.5	419	1,002	82	6,380	0.6	443	83	19
Perpetual Private Geared High Growth Fund	3,671	0.3	317	545	52	3,899	0.4	793	1,614	12
Perpetual Private Growth Fund	12,482	1.1	1,016	988	178	12,454	1.2	1,630	1,073	38
Perpetual Super Wrap	166	-	-	-	2	166	-	124	117	-
Perpetual's Select Superannuation Fund	267,923	23.3	15,032	67,928	3,811	320,818	29.8	21,204	30,904	968
Unitholders - Class I										
Perpetual Super Wrap	186,413	29.2	35,097	19,395	5,867	170,711	32.1	45,206	7,528	2,739

14 Related party transactions (continued)

Related party unitholdings (continued)

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

Real Estate Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Charitable and Community Investor Fund	75,481	11.3	9,681	-	342	65,900	10.6	-	3,131	-
Perpetual Charitable Endowment Fund	19,146	2.9	10,148	-	87	8,998	1.5	8,998	-	-
Perpetual Private Balanced Fund	17,304	2.6	-	230	78	17,534	2.8	-	2,107	-
Perpetual Private Conservative Fund	788	0.1	-	36	4	824	0.1	-	116	-
Perpetual Private Diversified Fund	3,582	0.5	-	66	16	3,648	0.6	-	69	-
Perpetual Private Growth Fund	3,734	0.6	-	41	17	3,775	0.6	-	47	-
Perpetual Super Wrap	89	-	-	-	-	89	-	67	102	-
Perpetual's Select Superannuation Fund	115,098	17.3	11,152	22,254	521	126,200	20.4	9,342	10,543	-
Unitholders - Class I										
Perpetual Super Wrap	72,267	29.3	14,091	8,326	1,734	66,502	29.4	17,981	6,833	-
Geared Australian Share Fund¹										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
		%			\$		%			\$
Perpetual's Select Superannuation Fund	6,635,535	97.3	1,958,619	1,186,238	290,907	5,863,154	96.5	1,619,426	1,899,866	477,696

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Related party unitholdings (continued)

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

Balanced Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders										
Perpetual Super Wrap	3,274	2.0	372	34	150	2,936	1.7	421	57	133
Conservative Fund										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders										
Perpetual Super Wrap	3,399	28.9	355	6	46	3,050	25.3	744	13	56
Diversified Fund										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders										
Perpetual Super Wrap	821	2.3	25	-	14	796	2.2	416	80	16

14 Related party transactions (continued)

Related party unitholdings (continued)

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

Growth Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders										
Perpetual Super Wrap	565	1.7	152	21	13	434	1.3	32	30	6
Geared High Growth Fund										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders										
Perpetual's Select Superannuation Fund	9,408	97.4	1,804	2,498	333	10,102	92.6	1,876	3,747	205

14 Related party transactions (continued)

Investments

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

Australian Share Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/		units held	investments	held	units	units	received/
	30 June	30 June	30 June	30 June	30 June	30 June		30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000	
Investments													
Perpetual Pure Microcap Fund	14,769	22,741	12.8	6,427	9,616	4,072	17,958	27,494	22.3	4,278	8,476	10,163	

Fixed Income Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/		units held	investments	held	units	units	received/
	30 June	30 June	30 June	30 June	30 June	30 June		30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000	
Investments													
Perpetual Credit Income Fund	337,651	354,935	46.0	25,714	-	13,510	311,937	322,831	49.4	47,694	-	9,834	
Perpetual Private Duration Fixed Income Fund	340,676	336,459	61.8	34,025	-	7,483	306,651	307,326	56.4	36,395	-	17,044	

14 Related party transactions (continued)

Investments (continued)

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

International Share Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Smart Beta Emerging Market Equities Fund	-	-	-	248	25,713	-	25,465	24,355	31.9	1,414	-	804
Perpetual Wholesale Global Share Fund	45,148	73,154	14.0	6,819	1,158	4,160	39,487	55,834	11.9	10,666	-	1,251
Geared Australian Share Fund¹												
	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable	units held	investments	held	units	units	received/ receivable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016
		\$	%			\$		\$	%			\$
Investments												
Perpetual Private Australian Share Fund	5,006,464	8,325,710	0.7	974,489	719,876	182,382	4,751,851	7,353,394	0.6	1,567,945	2,270,352	152,187

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

14 Related party transactions (continued)

Investments (continued)

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

Balanced Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments		held	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Credit Income Fund	10,367	10,898	1.4	1,323	-	393	9,044	9,360	1.4	263	-	295
Perpetual Defensive Alternatives Pool Fund	11,419	10,266	3.0	515	557	459	11,461	10,251	3.3	583	2,231	518
Perpetual Growth Alternatives Pool Fund	16,099	21,374	3.6	2,078	2,213	1,743	16,234	21,197	4.1	895	3,327	1,155
Perpetual Institutional Cash Management Trust	10,742	10,742	0.8	1,218	54	209	9,578	9,578	0.7	223	48	225
Perpetual Private Australian Share Fund	28,094	46,720	3.8	620	4,018	1,022	31,492	48,734	4.1	610	4,222	1,046
Perpetual Private Duration Fixed Income Fund	27,332	26,994	5.0	1,533	5,427	609	31,226	31,295	5.7	1,083	1,404	1,757
Perpetual Private International Share Fund	40,281	45,627	3.5	138	4,956	573	45,099	44,541	4.2	355	4,000	136
Perpetual Private Real Estate Fund	17,304	15,082	2.6	-	230	78	17,534	15,572	2.8	-	2,107	-

14 Related party transactions (continued)

Investments (continued)

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

Conservative Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/		units held	investments	held	units	units	received/
	30 June	30 June	30 June	30 June	30 June	received/		30 June	30 June	30 June	30 June	30 June	received/
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000	
Investments													
Perpetual Credit Income Fund	1,622	1,705	0.2	64	-	65	1,558	1,612	0.2	48	288	51	
Perpetual Defensive Alternatives Pool Fund	808	726	0.2	36	-	31	772	690	0.2	56	1,006	50	
Perpetual Growth Alternatives Pool Fund	616	818	0.1	50	-	66	566	739	0.1	31	112	40	
Perpetual High Grade Treasury Fund	-	-	-	-	-	-	-	-	-	1	74	1	
Perpetual Institutional Cash Management Trust	2,066	2,066	0.2	246	62	41	1,882	1,882	0.1	435	59	38	
Perpetual Private Australian Share Fund	978	1,627	0.1	21	70	36	1,027	1,589	0.1	19	95	32	
Perpetual Private Duration Fixed Income Fund	3,135	3,096	0.6	171	471	70	3,435	3,443	0.6	138	1,080	198	
Perpetual Private International Share Fund	1,614	1,829	0.1	5	23	23	1,632	1,612	0.2	396	204	5	
Perpetual Private Real Estate Fund	788	686	0.1	-	36	4	824	732	0.1	-	116	-	

14 Related party transactions (continued)

Investments (continued)

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

Diversified Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/		units held	investments	held	units	units	received/
	30 June	30 June	30 June	30 June	30 June	30 June		30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000	
Investments													
Perpetual Credit Income Fund	2,136	2,246	0.3	84	-	86	2,052	2,124	0.3	60	-	67	
Perpetual Defensive Alternatives Pool Fund	2,433	2,186	0.6	110	111	97	2,434	2,177	0.7	175	2,576	156	
Perpetual Growth Alternatives Pool Fund	3,386	4,496	0.8	1,042	369	367	2,713	3,543	0.7	1,038	-	193	
Perpetual Institutional Cash Management Trust	4,450	4,450	0.3	1,088	63	84	3,425	3,425	0.3	1,546	55	55	
Perpetual Private Australian Share Fund	4,053	6,740	0.6	304	402	147	4,151	6,423	0.5	416	1,412	149	
Perpetual Private Duration Fixed Income Fund	7,422	7,330	1.3	523	4,307	170	11,206	11,231	2.1	406	1,142	638	
Perpetual Private International Share Fund	5,797	6,566	0.5	419	1,002	82	6,380	6,301	0.6	443	83	19	
Perpetual Private Real Estate Fund	3,582	3,122	0.5	-	66	16	3,648	3,240	0.6	-	69	-	

14 Related party transactions (continued)

Investments (continued)

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

Growth Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/ receivable		units held	investments	held	units	units	received/ receivable
	30 June 2017 '000	30 June 2017 \$'000	30 June 2017 %	30 June 2017 '000	30 June 2017 '000	30 June 2017 \$'000		30 June 2016 '000	30 June 2016 \$'000	30 June 2016 %	30 June 2016 '000	30 June 2016 '000	30 June 2016 \$'000
Investments													
Perpetual Credit Income Fund	1,571	1,652	0.2	62	-	63	1,509	1,562	0.2	44	-	49	
Perpetual Defensive Alternatives Pool Fund	1,430	1,286	0.4	63	-	56	1,367	1,223	0.4	1,367	-	16	
Perpetual Growth Alternatives Pool Fund	3,584	4,758	0.8	292	-	388	3,292	4,299	0.8	182	2,372	234	
Perpetual Institutional Cash Management Trust	2,456	2,456	0.2	448	10	47	2,018	2,018	0.2	532	9	39	
Perpetual Private Australian Share Fund	8,396	13,962	1.1	483	557	305	8,470	13,107	1.1	358	1,046	281	
Perpetual Private Duration Fixed Income Fund	2,642	2,609	0.5	145	443	59	2,940	2,946	0.5	113	538	170	
Perpetual Private International Share Fund	12,482	14,139	1.1	1,016	988	178	12,454	12,300	1.2	1,630	1,073	38	
Perpetual Private Real Estate Fund	3,734	3,255	0.6	-	41	17	3,775	3,352	0.6	-	47	-	

14 Related party transactions (continued)

Investments (continued)

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

Geared High Growth Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/ receivable		units held	investments	held	units	units
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Growth Alternatives Pool Fund	1,263	1,677	0.3	103	74	137	1,234	1,611	0.3	68	374	88
Perpetual Institutional Cash Management Trust	77	77	-	1	-	2	76	76	-	76	-	1
Perpetual Private Australian Share Fund	3,317	5,516	0.5	462	552	117	3,407	5,271	0.4	582	1,431	105
Perpetual Private International Share Fund	3,671	4,159	0.3	317	545	52	3,899	3,851	0.4	793	1,614	12

15 Structured entities

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

The Schemes consider all investments in unlisted unit trusts to be structured entities. The Schemes invest in unlisted unit trusts for the purpose of capital appreciation and earning investment income.

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

The Schemes' interest in unconsolidated structured entities from investing in unlisted unit trusts at the reporting date is disclosed in note 7. The fair value of these entities is included in financial assets held at fair value through profit or loss in the balance sheets.

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

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

There are no significant restrictions on the ability of the unconsolidated structured entities to transfer funds to the Schemes in the form of cash distributions.

Unconsolidated subsidiaries

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

The following table provides information in relation to unconsolidated structured entity that is considered to be the Scheme's subsidiary at the reporting date:

	Fixed Income Fund			
	Fair value		Ownership interest	
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$'000	\$'000	%	%
Perpetual Private Duration Fixed Income Fund	336,459	307,326	61.8	56.4

The above subsidiary is domiciled in Australia.

16 Financial risk management

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

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

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

The Schemes' asset managers aim to manage these risks through the use of consistent and carefully considered investment guidelines. Risk management techniques are used in the selection of investments. Assets managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classed and counterparties.

The Schemes use different methods to measure different types of risks to which they are exposed. These methods include sensitivity analysis in the case of currency risk, interest rate risk and price risk; and credit ratings analysis for credit risk.

(a) Market risk

(i) Currency risk

Currency risk arises as the fair value or future cash flows of monetary securities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

With the exception of the International Share Fund and the Real Estate Fund, the Schemes did not have any significant direct exposure to currency risk at the reporting date.

International Share Fund

The Scheme's investments are predominantly denominated in foreign currency. The Scheme did not hold any derivatives to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date.

Real Estate Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme's investment strategy allows it to hold derivatives. The Scheme did not hold any derivatives to protect the valuation of financial assets and liabilities against variations in the exchange rates at 30 June 2017 (2016: The Scheme held foreign exchange forward contracts).

16 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The following table summarises the Schemes' exposures (net of any exposures arising from derivatives) to currency risk:

	International Share Fund		Real Estate Fund	
	30 June 2017 \$'000	30 June 2016* \$'000	30 June 2017 \$'000	30 June 2016** \$'000
United States Dollar	888,935	649,804	158,499	-
British Pound	61,810	65,428	24,013	-
Euro	120,915	75,858	22,157	-
Hong Kong Dollar	41,918	28,178	21,048	-
Japanese Yen	32,283	46,617	26,392	-
Other currencies	72,040	100,053	11,227	-
Total foreign currency exposure	1,217,901	965,938	263,336	-

* The exposures to Japanese Yen and Hong Kong Dollar are considered significant for the year ended 30 June 2017 and are disclosed separately. Their exposures for 30 June 2016 have been reinstated to allow comparability of currency exposures between current and prior year. These exposures were previously included in other currencies.

** The Scheme's exposure to the individual currency was not significant as at 30 June 2016 due to hedging by entering into foreign currency forward contracts.

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

(ii) Interest rate risk

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

The Schemes' exposure to interest rate risk predominantly arises from cash and cash equivalents and units in cash management trusts, which earn/charge a floating rate of interest. Units in cash management trusts are priced at \$1 and the underlying investments are predominantly exposed to highly liquid interest bearing securities. From 1 July 2016 the Scheme changed the risk assessment for cash management trusts from price risk to interest rate risk to align to how the underlying exposures are monitored. The Schemes previously included all unlisted unit trusts (including cash management trusts) in the assessment of price risk (refer to note 16(a)(iii)).

The Geared Australian Share Fund and Geared High Growth Fund also have interest rate risk exposures from their borrowings which charge a floating rate of interest.

16 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The following table summarises the Schemes' exposure to interest rate risk:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$	30 June 2016 \$
Financial assets										
Cash and cash equivalents	94,072	60,988	126,803	68,968	120,240	101,953	48,730	39,550	128,087	64,555
Debt securities	41,274	22,357	-	-	-	-	-	-	-	-
Financial liabilities										
Borrowings	-	-	-	-	-	-	-	-	4,263,278	3,851,729
	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Financial assets										
Cash and cash equivalents	16,004	12,812	1,258	1,511	5,055	3,541	1,802	2,032	85	609
Cash management trusts	10,742	-	2,066	-	4,450	-	2,456	-	77	-
Financial liabilities										
Borrowings	-	-	-	-	-	-	-	-	3,973	3,867

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

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

The Schemes are exposed to price risk predominantly through their investments in equities and unlisted unit trusts.

At the reporting date, the fair value of the Schemes' investments exposed to price risk was as follows:

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹	
	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$	30 June 2016 \$
Investments exposed to price risk		1,108,837		630,157		964,414		505,895		7,353,394
Equities and equity related securities*	1,088,813		-		1,191,208		530,786		8,325,710	
Units in fixed income trusts	-		691,394		-		-		-	

* Equities and equity related securities include listed equities, equity derivatives, units in equity and other trusts.

	Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016 \$'000
Investments exposed to price risk		190,528		12,299		38,464		40,807		10,809
Units in equity and other trusts	139,069		5,686		23,110		37,400		11,352	
Units in fixed income trusts	37,892		4,801		9,576		4,261		-	

From 1 July 2016, the Schemes analyse their exposures to price risk arising from unlisted unit trusts by their type of asset class. The Schemes analyse price risk for the units in fixed income trusts with a lower sensitivity rate which reflects the reasonably possible movement of the unit prices of a typical fixed income trust. The Schemes exclude their holdings in cash management trusts from price risk analysis as the unit price for cash management trusts is valued at \$1 and is subject to insignificant risk of changes in value.

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

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

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

	Sensitivity rates	Impact on operating profit/net assets attributable to unitholders			
		International Share Fund		Real Estate Fund	
		30 June 2017 \$'000	30 June 2016 \$'000	30 June 2017 \$'000	30 June 2016* \$'000
Currency risk					
USD/AUD	+10%	(88,894)	(64,980)	(15,850)	-
	-10%	88,894	64,980	15,850	-
GBP/AUD	+8%	(4,945)	(5,234)	(1,921)	-
	-8%	4,945	5,234	1,921	-
EUR/AUD	+8%	(9,673)	(6,069)	(1,773)	-
	-8%	9,673	6,069	1,773	-
HKD/AUD	+12%	(5,030)	(3,381)	(2,526)	-
	-12%	5,030	3,381	2,526	-
JPY/AUD	+10%	(3,228)	(4,662)	(2,639)	-
	-10%	3,228	4,662	2,639	-

* The sensitivity analysis for the comparative year ended 30 June 2016 was not disclosed because the Scheme did not have significant exposures to currency risk.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders									
Sensitivity rates	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund		Geared Australian Share Fund ¹		
	30 June 2017	30 June 2016***	30 June 2017	30 June 2016***	30 June 2017	30 June 2016***	30 June 2017	30 June 2016***	30 June 2017	30 June 2016	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	\$	
Interest rate risk	+1%	1,265		1,268		1,202		487		(41,352)	(37,872)
	-1%	(1,265)		(1,268)		(1,202)		(487)		41,352	37,872
Price risk	+15%		166,326		94,524		144,662		75,884		1,103,009
	-15%		(166,326)		(94,524)		(144,662)		(75,884)		(1,103,009)
Equities and equity related securities*	+15%	163,322		-		178,681		79,618		1,248,857	
	-15%	(163,322)		-		(178,681)		(79,618)		(1,248,857)	
Units in fixed income trusts**	+5%	-		34,570		-		-		-	
	-5%	-		(34,570)		-		-		-	

* Equities and equity related securities include listed equities, equity derivatives, units in equity and other trusts.

** The Schemes applied a lower sensitivity rate to measure price risk for units in fixed income trust as discussed in note 16(a)(iii) for current year.

*** The sensitivity analysis for the comparative year ended 30 June 2016 was not restated.

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders									
Sensitivity rates		Balanced Fund		Conservative Fund		Diversified Fund		Growth Fund		Geared High Growth Fund	
		30 June 2017 \$'000	30 June 2016*** \$'000	30 June 2017 \$'000	30 June 2016*** \$'000	30 June 2017 \$'000	30 June 2016*** \$'000	30 June 2017 \$'000	30 June 2016*** \$'000	30 June 2017 \$'000	30 June 2016*** \$'000
Interest rate risk*	+1%	267		33		95		43		(38)	33
	-1%	(267)		(33)		(95)		(43)		38	(33)
Price risk*	+15%		28,579		1,845		5,770		6,121		1,621
	-15%		(28,579)		(1,845)		(5,770)		(6,121)		(1,621)
Units in equity and other trusts	+15%	20,860		853		3,467		5,610		1,703	
	-15%	(20,860)		(853)		(3,467)		(5,610)		(1,703)	
Units in fixed income trusts**	+5%	1,895		240		479		213		-	
	-5%	(1,895)		(240)		(479)		(213)		-	

* The Schemes changed the risk assessment of their holdings in cash management trusts from price risk to interest rate risk, as discussed in note 16(a)(ii) and note 16(a)(iii), for current year.

** The Schemes applied a lower sensitivity rate to measure price risk for units in fixed income trust as discussed in note 16(a)(iii) for current year.

*** The sensitivity analysis for the comparative year ended 30 June 2016 was not restated.

16 Financial risk management (continued)

(b) Credit risk

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

(i) Derivative financial instruments

The risk of counterparty default in a derivative transaction is minimised by predominantly using exchange traded derivatives (except for currency hedging, contracts for differences, and occasionally other approved over the counter instruments). The exchange traded derivatives are only executed and cleared through approved members of the exchanges. For over the counter derivatives, minimum credit ratings apply for counterparties at the time of entering into a contract and ISDA agreements are put in place with counterparties.

(ii) Cash and cash equivalents

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

(iii) Receivables for securities sold

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty. Payments on securities acquired are only made after the broker has received the securities. The trade will fail if either party fails to meet its obligations.

All transactions in unlisted unit trusts are settled/unitised when unit prices are issued. The risk of default is considered low except when trading in a suspended unlisted unit trust.

(c) Liquidity risk

Liquidity risk is the risk that the Schemes will not be able to meet their financial obligations as they fall due.

The Schemes are exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives.

The Schemes' investments in equity securities are considered to be readily realisable. The Schemes primarily hold investments in an active market which can be readily disposed. Only a limited proportion of these investments are not actively traded on a stock exchange.

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

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

In order to manage the Schemes' overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Schemes' investment criteria including the assessment of saleability in different market conditions. The Schemes' investment strategy generally defines a minimum liquidity level for the Schemes which is monitored regularly. The Responsible Entity has the discretion to reject an application and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Schemes did not reject or withhold any redemptions during the reporting period.

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

	30 June 2017					30 June 2016				
	Carrying amount \$'000	At call \$'000	Contractual cash flows			Carrying amount \$'000	At call \$'000	Contractual cash flows		
less than 6 months \$'000			6 - 12 months \$'000	more than 12 months \$'000	less than 6 months \$'000			6 - 12 months \$'000	more than 12 months \$'000	
Australian Share Fund										
Non-derivative financial liabilities										
Distributions payable to unitholders of the Scheme	11,877	-	11,877	-	-	10,302	-	10,302	-	-
Payables for securities purchased	6,105	-	6,105	-	-	2,949	-	2,949	-	-
Payables	2,196	-	2,196	-	-	5,129	-	5,129	-	-
Net assets attributable to unitholders	1,218,056	1,218,056	-	-	-	1,194,405	1,194,405	-	-	-
Total	1,238,234	1,218,056	20,178	-	-	1,212,785	1,194,405	18,380	-	-
Derivative financial liabilities										
Futures	9	-	9	-	-	-	-	-	-	-
Options	2,369	-	2,115	254	-	1,871	-	1,530	337	4
Foreign exchange forward contracts	96	-	-	-	-	135	-	-	-	-
Outflow	-	-	4,454	-	-	-	-	4,426	-	-
Inflow	-	-	(4,358)	-	-	-	-	(4,291)	-	-
Total	2,474	-	2,220	254	-	2,006	-	1,665	337	4

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

Fixed Income Fund	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	7,343	-	7,343	15,910	-	15,910
Payables	854	-	854	605	-	605
Net assets attributable to unitholders	818,549	818,549	-	701,572	701,572	-
Total	826,746	818,549	8,197	718,087	701,572	16,515

International Share Fund	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	25,248	-	25,248	9,812	-	9,812
Payables for securities purchased	2,164	-	2,164	5,354	-	5,354
Payables	4,126	-	4,126	1,822	-	1,822
Net assets attributable to unitholders	1,292,684	1,292,684	-	1,057,694	1,057,694	-
Total	1,324,222	1,292,684	31,538	1,074,682	1,057,694	16,988

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
Real Estate Fund	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	7,027	-	7,027	-	-	-
Payables for securities purchased	5,595	-	5,595	3,433	-	3,433
Payables	926	-	926	1,004	-	1,004
Net assets attributable to unitholders	577,720	577,720	-	550,797	550,797	-
Total	591,268	577,720	13,548	555,234	550,797	4,437
Derivative financial liabilities						
Foreign exchange forward contracts	-	-	-	480	-	-
Outflow	-	-	-	-	-	23,758
Inflow	-	-	-	-	-	(23,278)
Total	-	-	-	480	-	480

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$	\$	\$	\$	\$	\$
Geared Australian Share Fund¹						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	298,897	-	298,897	495,077	-	495,077
Payables	34,187	-	34,187	40,768	-	40,768
Borrowings	4,263,278	-	4,263,278	3,851,729	-	3,851,729
Interest payables	398	-	398	384	-	384
Net assets attributable to unitholders	3,976,365	3,976,365	-	3,311,872	3,311,872	-
Total	8,573,125	3,976,365	4,596,760	7,699,830	3,311,872	4,387,958

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balanced Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	6,358	-	6,358	6,548	-	6,548
Payables	187	-	187	288	-	288
Net assets attributable to unitholders	198,918	198,918	-	199,248	199,248	-
Total	205,463	198,918	6,545	206,084	199,248	6,836

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
Conservative Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	111	-	111	166	-	166
Payables	36	-	36	47	-	47
Net assets attributable to unitholders	13,779	13,779	-	13,798	13,798	-
Total	13,926	13,779	147	14,011	13,798	213

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
Diversified Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	518	-	518	576	-	576
Payables	61	-	61	62	-	62
Net assets attributable to unitholders	41,937	41,937	-	41,960	41,960	-
Total	42,516	41,937	579	42,598	41,960	638

16 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Growth Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	660	-	660	402	-	402
Payables	47	-	47	50	-	50
Net assets attributable to unitholders	45,636	45,636	-	42,724	42,724	-
Total	46,343	45,636	707	43,176	42,724	452

	30 June 2017			30 June 2016		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geared High Growth Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	342	-	342	221	-	221
Payables	44	-	44	102	-	102
Borrowings	3,973	-	3,973	3,867	-	3,867
Net assets attributable to unitholders	7,311	7,311	-	7,508	7,508	-
Total	11,670	7,311	4,359	11,698	7,508	4,190

16 Financial risk management (continued)

(d) Fair value measurement

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

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

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

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of exchange traded financial assets and liabilities, information provided by the independent pricing services is relied upon for valuation.

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.

Listed securities and exchange traded derivatives are valued at the last traded price. Investments in unlisted unit trusts that are considered activity traded 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 (level 2 and level 3)

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

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 counterparties.

Some of the inputs to a valuation model may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

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

The Australian Share Fund and Real Estate Fund held investments in a single delisted entity and an unlisted unit trust that were classified as level 3. These delisted securities were valued based on the expected distribution proceeds to shareholders arising from the sale of assets and after the deduction of net debts and transaction costs. The unlisted unit trust has significant exposure to properties whose valuations may use significant unobservable inputs. The Scheme obtained the unit prices which approximate fair value from the relevant investment manager without any adjustments and did not calculate any unobservable inputs itself.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

No other Schemes held financial instruments with fair value measurement using significant unobservable inputs (level 3) at 30 June 2017 and 30 June 2016.

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

Australian Share Fund

	30 June 2017				30 June 2016			
	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:								
Equities	1,065,387	2,976	86	1,068,449	1,080,106	3,112	-	1,083,218
Debt securities	41,274	-	-	41,274	22,357	-	-	22,357
Unlisted unit trusts	22,741	-	-	22,741	27,494	-	-	27,494
Total	1,129,402	2,976	-	1,132,464	1,129,971	3,112	-	1,133,083
Financial liabilities								
Financial liabilities held for trading:								
Futures	9	-	-	9	-	-	-	-
Options	2,369	-	-	2,369	1,871	-	-	1,871
Foreign exchange forward contracts	-	96	-	96	-	135	-	135
Total	2,378	96	-	2,474	1,871	135	-	2,006

Fixed Income Fund

	30 June 2017				30 June 2016			
	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	-	691,394	-	691,394	-	630,157	-	630,157
Total	-	691,394	-	691,394	-	630,157	-	630,157

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

International Share Fund

	30 June 2017				30 June 2016			
	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:								
Equities	1,118,054	-	-	1,118,054	884,206	19	-	884,225
Unlisted unit trusts	73,154	-	-	73,154	55,834	24,355	-	80,189
Total	1,191,208	-	-	1,191,208	940,040	24,374	-	964,414

Real Estate Fund

	30 June 2017				30 June 2016			
	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	-	-	-	-	-	2,858	-	2,858
Financial assets designated at fair value through profit or loss:								
Equities	524,211	-	495	524,706	503,515	159	-	503,674
Unlisted unit trusts	-	4,780	1,300	6,080	-	-	2,221	2,221
Total	524,211	4,780	1,795	530,786	503,515	3,017	2,221	508,753
Financial liabilities								
Financial liabilities held for trading:								
Foreign exchange forward contracts	-	-	-	-	-	480	-	480
Total	-	-	-	-	-	480	-	480

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Geared Australian Share Fund¹

	30 June 2017				30 June 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	8,325,710	-	-	8,325,710	7,353,394	-	-	7,353,394
Total	8,325,710	-	-	8,325,710	7,353,394	-	-	7,353,394

Balanced Fund

	30 June 2017				30 June 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	118,171	69,532	-	187,703	118,426	72,102	-	190,528
Total	118,171	69,532	-	187,703	118,426	72,102	-	190,528

Conservative Fund

	30 June 2017				30 June 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	6,208	6,345	-	12,553	5,815	6,484	-	12,299
Total	6,208	6,345	-	12,553	5,815	6,484	-	12,299

¹ Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Financial risk management (continued)

(d) Fair value measurement (continued)

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

Diversified Fund

	30 June 2017				30 June 2016			
	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	20,878	16,258	-	37,136	19,390	19,074	-	38,464
Total	20,878	16,258	-	37,136	19,390	19,074	-	38,464

Growth Fund

	30 June 2017				30 June 2016			
	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	33,812	10,305	-	44,117	30,777	10,030	-	40,807
Total	33,812	10,305	-	44,117	30,777	10,030	-	40,807

Geared High Growth Fund

	30 June 2017				30 June 2016			
	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	9,752	1,677	-	11,429	9,198	1,611	-	10,809
Total	9,752	1,677	-	11,429	9,198	1,611	-	10,809

16 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels

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

There were no transfers between levels for the year ended 30 June 2017.

As at 30 June 2016, there were no transfers between levels except for the Scheme below:

Australian Share Fund

	30 June 2016		
	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Transfers between level 1 and 3: Equities	(376)	-	376

The transfer from level 1 to level 3 was related to a single listed equity which has gone into voluntary administration on 25 November 2015. The entire value of the listed equity (\$376,078) was subsequently written down to zero and recognised in profit or loss at the reporting date.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments, by class of financial instrument, for the years ended 30 June 2017 and 30 June 2016:

Australian Share Fund	30 June 2017		30 June 2016	
	Equities	Total	Equities	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-
Gains/(losses) recognised in profit or loss	86	86	-	-
Closing balance	86	86	-	-
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	86	86	-	-

16 Financial risk management (continued)

(d) Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

The following table presents the movement in level 3 instruments, by class of financial instrument, for the years ended 30 June 2017 and 30 June 2016:

	30 June 2017			30 June 2016		
	Equities \$'000	Unlisted unit trusts \$'000	Total \$'000	Equities \$'000	Unlisted unit trusts \$'000	Total \$'000
Real Estate Fund						
Opening balance	-	2,221	2,221	-	2,213	2,213
Sales (including return of capital)	-	(145)	(145)	-	(51)	(51)
Gains/(losses) recognised in profit or loss	495	(776)	(281)	-	59	59
Closing balance	495	1,300	1,795	-	2,221	2,221
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	495	(776)	(281)	-	59	59

17 Offsetting financial assets and financial liabilities

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

Apart from the Schemes mentioned in this note, no other Schemes held financial assets or liabilities subject to offsetting arrangements at the reporting date.

	30 June 2017					30 June 2016				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
Australian Share Fund										
Financial assets										
Margin accounts	108	-	108	(9)	99	298	-	298	-	298
Derivative financial instruments	-	-	-	-	-	14	-	14	-	14
Total	108	-	108	(9)	99	312	-	312	-	312
Financial liabilities										
Derivative financial instruments	(2,474)	-	(2,474)	9	(2,465)	(2,006)	-	(2,006)	-	(2,006)
Total	(2,474)	-	(2,474)	9	(2,465)	(2,006)	-	(2,006)	-	(2,006)

17 Offsetting financial assets and financial liabilities (continued)

	30 June 2017					30 June 2016				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
Real Estate Fund										
Financial assets										
Derivative financial instruments	-	-	-	-	-	2,858	-	2,858	-	2,858
Total	-	-	-	-	-	2,858	-	2,858	-	2,858
Financial liabilities										
Derivative financial instruments	-	-	-	-	-	(480)	-	(480)	-	(480)
Total	-	-	-	-	-	(480)	-	(480)	-	(480)

Master netting arrangement - not currently enforceable

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

18 Derivative financial instruments

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

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

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

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

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

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

(a) Futures

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

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk.

(c) Foreign exchange forward contracts

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

18 Derivative financial instruments (continued)

Risk exposures and fair value measurements

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

19 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2017 or on the results and cash flows of the Schemes for the year ended on that date.

20 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2017 or 30 June 2016.

Directors' declaration

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

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

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

- (a) the annual financial statements and notes, set out on pages 8 to 76, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial position as at 30 June 2017 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) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



Director

Sydney
20 September 2017



Independent Auditor's Report

To the respective unitholders of the following Schemes:

Perpetual Private Australian Share Fund;

Perpetual Private Fixed Income Fund;

Perpetual Private International Share Fund;

Perpetual Private Real Estate Fund;

Perpetual Private Geared Australian Share Fund;

Perpetual Private Balanced Fund;

Perpetual Private Conservative Fund;

Perpetual Private Diversified Fund;

Perpetual Private Growth Fund; and

Perpetual Private Geared High Growth Fund

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

Opinions

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance sheets as at 30 June 2017;
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' declaration made by the Directors of Perpetual Investment Management Limited (the Responsible Entity).



Basis for opinions

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

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



Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

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

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

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

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Jessica Davis

Partner

Sydney

20 September 2017

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