

PERPETUAL'S SELECT SUPERANNUATION FUND

Perpetual Select Super Plan
Perpetual Select Pension Plan
Perpetual MySuper
Annual Report

ANNUAL REPORT
YEAR ENDED 30 JUNE 2017
Perpetual Superannuation Limited
ABN 84 008 416 831 AFSL 225246 RSE L0003315

Perpetual 

DIRECTORY

FUND

Perpetual's Select Superannuation Fund (Fund)
ABN 51 068 260 563
RSE R1057034

PRODUCTS

Perpetual Select Super Plan (Super Plan)
SPIN/USI PER0138AU

Perpetual Select Pension Plan (Pension Plan)
SPIN/USI PER0279AU (Term Allocated Pension)
SPIN/USI PER0405AU (Account Based Pension)

Perpetual MySuper (MySuper)
MySuper product authorisation number 51068260563643
SPIN/USI PER0705AU

ISSUER AND TRUSTEE

Perpetual Superannuation Limited (Trustee)
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RSE L0003315

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IMPORTANT NOTES AND DISCLAIMER

This Annual Report (Report) provides the fund information required under the Corporations Act 2001 and has been prepared by the Trustee in September 2017 for members of the Fund. In this Report, 'we', 'us', 'our' and 'Perpetual Superannuation' are references to the Trustee.

The information is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. The information is believed to be accurate at the date this Report was prepared and is provided by the Trustee in good faith. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

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

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DIRECTORS' MESSAGE

Dear Member

On behalf of the Trustee of Perpetual's Select Superannuation Fund, we are pleased to present the Fund's Annual Report for the year ended 30 June 2017. The Fund consists of the following products:

- Perpetual Select Super Plan (Super Plan)
- Perpetual Select Pension Plan (Pension Plan)
- Perpetual MySuper (MySuper).

This Report should be read in conjunction with your Annual Statement for the year ended 30 June 2017, which details your specific benefit entitlements under the Fund.

This Report brings you up to date with relevant details relating to the Fund (including the investment options available to members) and recent product changes (see page 4 for details). It also provides information on important changes in the superannuation environment (see pages 2-3 for details).

The Super Plan and Pension Plan enable you to access a broad range of investment options that have been selected, diversified and blended by our Select investment team in keeping with our prudent investment philosophy. Each investment option's risk and return profile has been carefully constructed so you can choose the right one to suit your own circumstances and objectives.

MySuper is designed primarily for (but not limited to) employees who have not nominated a superannuation fund to receive compulsory contributions from their employer. MySuper provides a single diversified investment strategy and default insurance cover.

If you are a Super Plan or MySuper member and have other superannuation accounts you may like to consider consolidating them into your Super Plan or MySuper account, as applicable. This should make it easier to keep track of your superannuation and may save you on total fees and costs. You can download a Transfer Authority form from our website at www.perpetual.com.au/forms or phone us on 1800 003 001 to request a form. We recommend you speak with your financial adviser about whether this is appropriate for you.

Thank you for entrusting us to look after your superannuation and retirement savings.

Directors, Perpetual Superannuation Limited

SUPERANNUATION CHANGES

INDEXATION OF SUPERANNUATION LIMITS AND THRESHOLDS

The following superannuation limits and thresholds have been set by the Australian Taxation Office (ATO) for the 2017/2018 financial year.

LIMIT/THRESHOLD	2016/2017	2017/2018
Concessional contributions cap	\$30,000	\$25,000 ¹
Non-concessional contributions cap	\$180,000	\$100,000 ²
Government co-contribution ³ :		
Lower income threshold	\$36,021	\$36,813
Higher income threshold	\$51,021	\$51,813
Limit on capital gains tax concession on disposal of eligible assets by qualifying small business owners	\$1,415,000	\$1,445,000
Low-rate cap ⁴ for the taxable component of lump sum benefit payments for members aged 57-59 (2016/2017) and 58-59 (2017/2018)	\$195,000	\$200,000

- This amount will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) once the increase in the indexed amount is greater than \$2,500. Members with a total superannuation balance of \$500,000 or less on 30 June of the previous financial year who have not fully utilised their concessional contributions cap in the 2018/2019 or subsequent financial years will be able to carry forward the unused cap amounts on a rolling five consecutive year basis to make additional concessional contributions. The 2019/2020 financial year will be the first time that additional concessional contributions will be able to be made.
- The non-concessional contributions cap is four times the general concessional contributions cap. Members with a total superannuation balance of \$1.6 million or more on 30 June of the previous financial year will not be eligible to make non-concessional contributions in that financial year. Members under age 65 will be eligible to bring forward two or three years of non-concessional contributions depending on their total superannuation balance.
- The co-contribution rate is 50%, with a maximum \$500 co-contribution on personal non-concessional contributions up to \$1,000 made by individuals with a total income up to the lower income threshold, which reduces by 3.333 cents for every \$1 of total income up to the higher income threshold where it ceases to apply. The higher income threshold is set at \$15,000 above the (indexed) lower income threshold. From the 2017/2018 financial year, members must have a total superannuation balance less than \$1.6 million on 30 June of the previous financial year and cannot exceed their non-concessional contributions cap in the relevant financial year to be eligible to receive co-contributions.
- The low-rate cap is a lifetime limit and will be indexed in line with AWOTE in multiples of \$5,000.

TAX ON BENEFITS PAID TO MEMBERS

When a superannuation benefit is received, it may include both tax-free and taxable components, calculated in the same proportions as the total account balance immediately before the payment.

The taxable portion of any superannuation lump sum or pension benefit is subject to tax depending on your age when received. Since the sliding preservation age scale for people born between 1 July 1960 and 30 June 1964 started to apply from 1 July 2015, the age scales applicable to the taxable component for people under age 60 will continue to increase progressively over the next three years, as shown in the following tables.

This means that from the 2019/2020 financial year, the tax treatment on the taxable component of any superannuation lump sum or pension benefit will depend on whether you are under age 60 or aged 60 and over when the benefit is received.

TAX ON TAXABLE COMPONENT OF LUMP SUM BENEFITS

FINANCIAL YEAR	TAX TREATMENT		
	TAXED AT 20% ¹	BALANCE ABOVE THE LOW-RATE CAP TAXED AT 15% ¹	TAX-FREE
2016/2017	Under 57	57-59	60 and over
2017/2018	Under 58	58-59	60 and over
2018/2019	Under 59	59	60 and over
2019/2020	Under 60	n/a	60 and over

TAX ON TAXABLE COMPONENT OF PENSION BENEFITS

FINANCIAL YEAR	TAX TREATMENT		
	TAXABLE AT MARGINAL TAX RATE ¹	TAXABLE AT MARGINAL TAX RATE LESS 15% TAX OFFSET ¹	TAX-FREE
2016/2017	Under 57	57-59	60 and over
2017/2018	Under 58	58-59	60 and over
2018/2019	Under 59	59	60 and over
2019/2020	Under 60	n/a	60 and over

1 Plus Medicare levy.

FEDERAL BUDGET 2017 – PROPOSED CHANGES AFFECTING SUPERANNUATION

On 9 May 2017, the Federal Government announced as part of its 2017 Budget the following proposed changes affecting superannuation which, if implemented through the passing of appropriate supporting legislation, could benefit some members.

NEW FIRST HOME SAVER SUPER SCHEME

From 1 July 2017, a new scheme to be administered by the ATO will allow first home buyers to contribute up to \$15,000 per year (and \$30,000 in total) to superannuation, within the relevant contribution caps. This includes personal and salary sacrifice contributions (voluntary contributions) but not superannuation guarantee contributions.

These contributions plus deemed earnings (at a rate which will be calculated by the ATO using the 90-day Bank Bill rate plus 3%) will be able to be withdrawn from the scheme from 1 July 2018, subject to a release authority being provided by the ATO to the super fund.

Withdrawals of concessional contributions plus deemed earnings for a first home deposit will be taxed at the individual's marginal tax rate (plus Medicare levy) less a 30% tax offset. Withdrawals of non-concessional amounts will not be subject to tax.

ADDITIONAL NON-CONCESSIONAL CONTRIBUTIONS CAP FOR MEMBERS AGED 65 OR OVER

From 1 July 2018, members aged 65 or over can make additional non-concessional contributions of up to \$300,000 from the proceeds following the sale of their principal residence on or after 1 July 2018 (which they must have owned for the past 10 or more years), subject to:

- the contribution amount is additional to the existing \$100,000 non-concessional contributions cap
- both members of a couple can contribute in respect of the same house
- the contribution amount is exempt from the superannuation age and work tests normally applying after age 65 and the \$1.6 million total super balance test for making non-concessional contributions
- the contribution amount is **not** exempt from the Centrelink age pension assets test.

PRODUCT UPDATE

GENERAL

REISSUE OF PRODUCT DISCLOSURE STATEMENTS (PDS)

The following PDSs were reissued on 1 June 2017:

- Perpetual Select Super Plan and Pension Plan
- Perpetual MySuper.

You can download the current PDSs, together with any incorporated documents, from our website or obtain a copy, free of charge, by contacting us or your adviser.

FEES AND COSTS DISCLOSURE

These new PDSs comply with ASIC Class Order [CO 14/1252] (as amended) relating to fees and costs disclosure, which requires issuers to include the following additional indirect costs paid by the investment options (rather than directly by members) within the indirect cost ratio for each investment option:

- estimated net transaction costs borne by all members in the investment option, being the estimated percentage by which investment returns have been reduced by transaction costs incurred at all levels after allowing for any buy/sell spread offsets
- estimated performance-related fees payable in underlying funds
- costs incurred if an investment option or underlying fund invests in derivatives
- any expense recoveries charged, or other indirect costs incurred, by managers of underlying funds (which may have increased as a result of the underlying fund manager's compliance with [CO 14/1252]).

Whilst this more expansive disclosure approach may have resulted in an increase in the total annual cost for an investment option (see pages 7-14 for details of the total annual investment fees and estimated indirect costs for the year ended 30 June 2017), the fixed investment fee we receive for each investment option has not increased.

FEES AND COSTS

CONTRIBUTION FEES

Super Plan members who joined before January 2014 are able to negotiate the amount of any contribution fees currently being charged on contributions, including a reduction of this fee to nil, by contacting us or your adviser.

INDEXATION OF FEE AMOUNTS

The following amounts have been increased in line with cumulative increases in the Consumer Price Index (CPI).

ADMINISTRATION FEES

With effect from 1 July 2017, the administration fee for the Super Plan and Pension Plan has increased from \$9.88 per month (\$118.56 annually) to \$10.09 per month (\$121.08 annually).

The dollar-based component of the administration fee (\$5.00 per month/\$60.00 annually) for MySuper is unchanged.

INVESTMENT FEE - BASE FEE REBATES

Rebates on the base fee component of the investment fee are available to Super Plan and Pension Plan members with large account balances. Qualifying levels have been increased from 1 July 2017, as follows:

VALUE OF INVESTMENT		REBATE % PA (UNCHANGED)
OLD QUALIFYING LEVEL	NEW QUALIFYING LEVEL	
\$265,500	\$271,100	Nil
\$620,100	\$633,300	0.50%
\$885,600	\$904,400	1.15%

APRA LEVY

It is estimated that the application of the annual APRA levy to the Fund will result in a cost of approximately 0.01% for each of the Fund's investment options (except MySuper - Balanced Growth) when charged as an expense recovery during the 2017/2018 financial year.

SUPER PLAN

TRANSFER OF 'DEFAULT' SUPER PLAN MEMBERS INTO MYSUPER

In accordance with superannuation law, the Trustee transferred the account balances of any remaining 'default' members in the Super Plan into Perpetual MySuper effective 31 March 2017.

PENSION PLAN

TRANSITION TO RETIREMENT (TTR) PENSION CONVERSION TO STANDARD ACCOUNT-BASED PENSION AT AGE 65

From 1 July 2017, earnings on assets supporting TTR pensions will be taxed at the maximum rate of 15%.

Effective from 1 July 2017, your TTR pension will convert to a standard account-based pension when you turn 65, or earlier if you meet another condition of release. Following this conversion, the income and capital gains earned within your pension will not be subject to tax. Your pension payments will continue to be received tax free.

Once your TTR pension is converted to a standard account-based pension, we are required to report the value to the ATO. The ATO uses this information to ensure you haven't transferred more than your transfer balance cap into a tax-free retirement income stream. The general transfer balance cap for the 2017/18 financial year is \$1.6 million.

Whilst you will still be required to take the minimum age-based pension amount each year, you will no longer be limited to the maximum pension amount of 10% of your account balance each year that had applied to your TTR pension.

UNITED KINGDOM (UK) PENSION TRANSFERS

We continue not to accept transfers of UK pension money. Any change to our current policy will be made available on our website.

INVESTMENT INFORMATION

TRUSTEE'S INVESTMENT OBJECTIVE

The Trustee's investment objective is to provide a comprehensive and suitable range of investment options from which all members can select investments that are suitable for their personal circumstances at any particular time.

TRUSTEE'S INVESTMENT STRATEGY

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

The variety of investment options offers members diversification across different asset classes, regions and markets. Most investment options also offer further diversification across a range of specialist investment managers.

DERIVATIVES

Perpetual's multi-manager investment team and some of the investment managers with which the Fund invests may use derivatives to manage risks in the share, bond and currency markets and to manage asset exposure to particular investment sectors or markets. While derivatives may be used for trading purposes, they are generally not used to gear investments.

INVESTMENT OPTIONS

Relevant details for each of the investment options available to Fund members are provided on pages 7-14 of this Report, including:

- risk level
- investment return objective
- investment guidelines
- option size
- total annual investment fees and estimated indirect costs
- investment performance
- asset allocations.

The Trustee may add, vary or withdraw investment options at its discretion.

Full details of the investment options that are currently available to Fund members are contained in the relevant current Product Disclosure Statement (PDS) available at our website or by calling us.

INVESTMENT PERFORMANCE

Investment performance has been calculated net of any investment fees and estimated indirect costs and (for the Super Plan and MySuper) income tax of up to 15%. No allowance has been made for the member administration fee or (for Super Plan and Pension Plan members only) any investment fee rebates. Care should be exercised in relying on past performance. Historical performance is not a reliable guide to future performance.

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

ASSET ALLOCATIONS

The asset allocations shown on pages 7-13 are based on the Super Plan, which may in some cases differ marginally from asset allocations for the Pension Plan.

RISK LEVELS

The risk level for each investment option is represented by its Standard Risk Measure (SRM), which is based on a standard industry measure of the estimated number of negative annual returns over any 20 year period – see footnote 1 to the investment options tables on page 15 for further information about SRMs.

The latest SRMs for all of the investment options are reflected in the current PDSs and the investment options tables on pages 7-14. Any changes to SRMs at any time will be available at our website.

Members should ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s), seeking professional advice where appropriate.

SPECIALIST INVESTMENT MANAGERS

The specialist investment managers appointed by the Trustee to manage the various asset classes within the Super Plan and Pension Plan investment options are shown in the following table. Visit our website for further information about the specialist investment managers.

SELECT SPECIALIST INVESTMENT MANAGERS FOR THE SUPER PLAN AND PENSION PLAN INVESTMENT OPTIONS AS AT 30 JUNE 2017

ASSET CLASS	INVESTMENT MANAGER(S)
Cash and enhanced cash	Perpetual Investments
Fixed income	Perpetual Investments PIMCO Schroders
Diversified credit	Perpetual Investments
Real estate	Renaissance Asset Management Resolution Capital
Australian shares	Cooper Investors Kaplan Funds Management Perpetual Investments Renaissance Asset Management
International shares	Barrow, Hanley, Mewhinney & Strauss Johnston Asset Management Magellan Asset Management Perpetual Investments RWC Partners SouthernSun Asset Management Sustainable Growth Advisers
Alternative assets	Perpetual Investments ¹

1 Perpetual Investments actively reviews and invests in a range of alternative investment structures managed by a number of alternative managers in accordance with relevant investment objectives.

Perpetual Investments is the sole investment manager for the MySuper – Balanced Growth investment option.

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

OBTAINING UPDATED DETAILS ON THE INVESTMENT OPTIONS

INVESTMENT DETAILS

From time to time, some of the information in the PDSs about the investment options may change. This includes details such as their:

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

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

FEES AND COSTS

You should refer to the relevant current PDS and any updated information provided on our website for the most recent details relating to annual fees and costs.

BUY/SELL SPREADS

Transaction costs are normally reviewed at least annually. This review may result in changes to the buy/sell spreads on various investment options.

The current buy/sell spreads as at September 2017 are as follows.

INVESTMENT OPTION	BUY/SELL SPREAD
Conservative	0.16%/0.00%
Diversified	0.24%/0.00%
Balanced	0.26%/0.00%
Growth	0.28%/0.00%
High Growth	0.30%/0.00%
Gear High Growth ²	0.46%/0.00%
Cash	Nil
Fixed Income	0.13%/0.00%
Real Estate	0.50%/0.00%
Australian Share	0.34%/0.00%
Gear Australian Share ²	0.68%/0.00%
Limited Share	0.30%/0.00%
International Share	0.40%/0.00%
Capital Guarantee	Nil
MySuper – Balanced Growth	0.34%/0.00%

2 Super Plan only.

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

SUPER PLAN/PENSION PLAN MULTI-ASSET CLASS INVESTMENT OPTIONS

INVESTMENT OPTION NAME	CONSERVATIVE ²			DIVERSIFIED		
Risk level ¹	4 – Medium			5 – Medium to high		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with stable returns through investment in a diversified portfolio with an emphasis on fixed income and cash and enhanced cash investments Super Plan – outperform the CPI by 1.5% (before fees and after tax) over rolling three-year periods Pension Plan – outperform the CPI by 2.5% (before fees and after tax) over rolling three-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 			Aims to: <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio of assets Super Plan – outperform the CPI by 2.0% (before fees and after tax) over rolling three-year periods Pension Plan – outperform the CPI by 3.0% (before fees and after tax) over rolling three-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 		
Investment guidelines	Cash ⁴ and enhanced cash	5-30%		Cash ⁴ and enhanced cash	0-25%	
	Fixed income ^{5,6}	10-45%		Fixed income ^{5,6}	10-40%	
	Diversified credit	0-30%		Diversified credit	0-25%	
	Income alternatives	0-10%		Income alternatives	0-10%	
	Real estate ^{6,7,8}	0-10%		Real estate ^{6,7,8}	5-15%	
	Australian shares	5-20%		Australian shares	5-25%	
	International shares ⁶	5-20%		International shares ⁶	5-25%	
	Growth alternatives	0-15%		Growth alternatives	0-20%	
Option size as at 30 June 2017	Super Plan:	\$28.9 million		Super Plan:	\$27.7 million	
	Pension Plan:	\$40.4 million		Pension Plan:	\$38.3 million	
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	2.12%		Super Plan:	2.31%	
	Pension Plan:	2.11%		Pension Plan:	2.31%	
	(includes 0.08% performance-related fees for Super Plan and 0.07% performance-related fees for Pension Plan charged in underlying funds)			(includes 0.11% performance-related fees for Super Plan and 0.13% performance-related fees for Pension Plan charged in underlying funds)		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	Pension Plan
	2013	9.4%	10.6%	2013	12.7%	14.3%
	2014	6.7%	7.5%	2014	9.7%	10.5%
	2015	4.8%	5.4%	2015	4.8%	5.5%
	2016	2.7%	3.1%	2016	2.6%	3.1%
	2017	3.7%	4.4%	2017	4.3%	5.2%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	5.4%	6.2%	5 years	6.7%	7.7%
	10 years	3.3%	3.9%	10 years	n/a	n/a
	Since inception	4.9%	5.7%	Since inception	5.5%	6.3%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash and enhanced cash	25%	24%	Cash and enhanced cash	16%	14%
	Fixed income	26%	22%	Fixed income	27%	17%
	Diversified credit	12%	12%	Diversified credit	5%	14%
	Income alternatives	5%	5%	Income alternatives	5%	5%
	Real estate	5%	5%	Real estate	7%	9%
	Australian shares	11%	12%	Australian shares	15%	15%
	International shares	11%	14%	International shares	14%	16%
	Growth alternatives	5%	6%	Growth alternatives	11%	10%

You should refer to page 15 for details of footnotes.

INVESTMENT OPTION NAME	BALANCED			GROWTH		
Risk level ¹	5 – Medium to high			6 – High		
Investment return objective	<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with an emphasis on Australian and international share investments Super Plan – outperform the CPI by 2.5% (before fees and after tax) over rolling five-year periods Pension Plan – outperform the CPI by 3.5% (before fees and after tax) over rolling five-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 			<p>Aims to:</p> <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international share investments Super Plan – outperform the CPI by 3.0% (before fees and after tax) over rolling five-to-ten-year periods Pension Plan – outperform the CPI by 4.0% (before fees and after tax) over rolling five-to-ten-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 		
Investment guidelines	Cash ⁴ and enhanced cash	0-15%		Cash ⁴ and enhanced cash	0-15%	
	Fixed income ^{5,6}	0-30%		Fixed income ^{5,6}	0-25%	
	Diversified credit	0-20%		Diversified credit	0-10%	
	Income alternatives	0-10%		Income alternatives	0-10%	
	Real estate ^{6,7,8}	5-15%		Real estate ^{6,7,8}	5-15%	
	Australian shares	10-35%		Australian shares	15-45%	
	International shares ⁶	10-35%		International shares ⁶	15-45%	
	Growth alternatives	0-20%		Growth alternatives	0-20%	
Option size as at 30 June 2017	Super Plan:	\$169.7 million		Super Plan:	\$248.5 million	
	Pension Plan:	\$211.9 million		Pension Plan:	\$285.0 million	
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	2.30%		Super Plan:	2.38%	
	Pension Plan:	2.39%		Pension Plan:	2.36%	
	(includes 0.11% performance-related fees for Super Plan and 0.14% performance-related fees for Pension Plan charged in underlying funds)			(includes 0.15% performance-related fees for Super Plan and 0.15% performance-related fees for Pension Plan charged in underlying funds)		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	Pension Plan
	2013	16.1%	17.5%	2013	17.9%	20.3%
	2014	10.8%	11.9%	2014	12.0%	13.5%
	2015	7.8%	8.5%	2015	8.5%	9.4%
	2016	2.7%	2.8%	2016	2.7%	2.7%
	2017	6.2%	7.2%	2017	7.9%	9.1%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	8.6%	9.5%	5 years	9.7%	10.9%
	10 years	3.2%	3.7%	10 years	3.0%	3.4%
	Since inception	5.8%	6.8%	Since inception	6.0%	6.5%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash and enhanced cash	11%	13%	Cash and enhanced cash	10%	9%
	Fixed income	16%	13%	Fixed income	7%	6%
	Diversified credit	5%	5%	Diversified credit	4%	4%
	Income alternatives	5%	5%	Income alternatives	3%	3%
	Real estate	7%	8%	Real estate	8%	7%
	Australian shares	24%	23%	Australian shares	30%	30%
	International shares	22%	23%	International shares	28%	31%
	Growth alternatives	10%	10%	Growth alternatives	10%	10%

You should refer to page 15 for details of footnotes.

INVESTMENT OPTION NAME	HIGH GROWTH			GEARED HIGH GROWTH (SUPER PLAN ONLY)		
Risk level ¹	6 – High			6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments Super Plan – outperform the CPI by 4.0% (before fees and after tax) over rolling ten-year periods Pension Plan – outperform the CPI by 5.0% (before fees and after tax) over rolling ten-year periods outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 			Aims to: <ul style="list-style-type: none"> provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio with a strong emphasis on Australian and international shares, as well as growth alternative investments outperform (before fees and after tax), over rolling three-year periods, a composite benchmark³ reflecting the underlying funds' target allocations at any time to the various asset types. 		
Investment guidelines	Cash ⁴ and enhanced cash	0-15%		Cash ⁴ and enhanced cash	0-12%	
	Real estate ^{6,7,8}	5-15%		Australian shares	35-60%	
	Australian shares	20-45%		International shares ⁶	25-45%	
	International shares ⁶	20-45%		Growth alternatives	0-25%	
	Growth alternatives	0-30%		Gearing level ⁹	0-50%	
Option size as at 30 June 2017	Super Plan:	\$71.0 million		Super Plan:	\$7.3 million	
	Pension Plan:	\$2.5 million				
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	2.70%		Super Plan:	3.95%	
	Pension Plan:	2.73%		(includes 0.28% performance-related fees charged in underlying funds)		
	(includes 0.24% performance-related fees for Super Plan and 0.24% performance-related fees for Pension Plan charged in underlying funds)					
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	
	2013	19.8%	21.0%	2013	27.3%	
	2014	14.4%	15.8%	2014	19.3%	
	2015	9.5%	10.3%	2015	11.8%	
	2016	1.7%	2.2%	2016	0.4%	
	2017	9.4%	10.5%	2017	14.2%	
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	10.8%	11.8%	5 years	14.3%	
	10 years	2.9%	3.4%	10 years	0.8%	
	Since inception	5.8%	6.9%	Since inception	0.9%	
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash and enhanced cash	6%	7%	Cash and enhanced cash	6%	3%
	Real estate	7%	7%	Australian shares	46%	47%
	Australian shares	33%	32%	International shares	34%	36%
	International shares	33%	33%	Growth alternatives	14%	14%
	Growth alternatives	21%	21%	Gearing level	34%	33%

You should refer to page 15 for details of footnotes.

SUPER PLAN/PENSION PLAN SINGLE-ASSET CLASS INVESTMENT OPTIONS

INVESTMENT OPTION NAME	CASH			FIXED INCOME		
Risk level ¹	1 – Very low			3 – Low to medium		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with capital stability through investments in deposits, money market and fixed income securities match the performance of the Bloomberg AusBond Bank Bill Index (before fees and after tax) over rolling one-year periods. 			Aims to: <ul style="list-style-type: none"> provide members with income and capital stability through investment in a diversified portfolio of fixed income and diversified credit investments (including mortgages) outperform (before fees and after tax), over rolling three-year periods, a composite benchmark¹⁰ reflecting the underlying fund's target allocation at any time to the various asset types. 		
Investment guidelines	Cash		100%	Cash ⁴		0-20%
				Diversified credit (including mortgages)		0-100%
				Fixed income ¹¹		0-100%
Option size as at 30 June 2017	Super Plan:		\$20.1 million	Super Plan:		\$8.9 million
	Pension Plan:		\$7.1 million	Pension Plan:		\$4.1 million
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:		1.65%	Super Plan:		1.96%
	Pension Plan:		1.64%	Pension Plan:		1.95%
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	Pension Plan
	2013	1.4%	1.8%	2013	1.8%	2.2%
	2014	0.8%	1.1%	2014	2.6%	3.1%
	2015	0.8%	1.0%	2015	2.1%	2.6%
	2016	0.5%	0.7%	2016	2.3%	2.7%
	2017	0.3%	0.4%	2017	1.1%	1.5%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	0.8%	1.0%	5 years	2.0%	2.4%
	10 years	1.4%	1.9%	10 years	3.9%	4.6%
	Since inception	2.6%	3.2%	Since inception	4.6%	5.5%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash	100%	100%	Cash	9%	15%
				Diversified credit (including mortgages)	46%	44%
				Fixed income	45%	41%

You should refer to page 15 for details of footnotes.

INVESTMENT OPTION NAME	REAL ESTATE			AUSTRALIAN SHARE		
Risk level ¹	7 – Very high			6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with income and long-term growth through investment in a diversified portfolio of Australian and international real estate investment trusts and unlisted property trusts³ outperform (before fees and after tax), over rolling three-year periods, a composite benchmark¹² reflecting the underlying fund's target allocation at any time to the various asset types. 			Aims to: <ul style="list-style-type: none"> provide members with long-term growth and income through investment in a diversified portfolio of Australian shares¹³ outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods. 		
Investment guidelines	Cash ⁴	0-20%		Cash ⁴	0-20%	
	Australian real estate	0-100%		Australian shares ¹³	80-100%	
	International real estate ¹¹	0-100%				
Option size as at 30 June 2017	Super Plan:	\$9.4 million		Super Plan:	\$34.0 million	
	Pension Plan:	\$1.9 million		Pension Plan:	\$11.0 million	
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	2.14%		Super Plan:	2.26%	
	Pension Plan:	2.15%		Pension Plan:	2.26%	
				(includes 0.02% performance-related fees for Super Plan and 0.02% performance-related fees for Pension Plan charged in underlying funds)		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	Pension Plan
	2013	15.4%	19.9%	2013	19.6%	20.8%
	2014	10.3%	11.8%	2014	16.9%	18.2%
	2015	10.7%	13.8%	2015	4.8%	5.5%
	2016	14.8%	15.8%	2016	3.1%	3.5%
	2017	-1.6%	-1.1%	2017	9.5%	10.9%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	9.7%	11.8%	5 years	10.6%	11.6%
	10 years	0.1%	0.6%	10 years	3.6%	4.1%
	Since inception	5.2%	6.0%	Since inception	8.3%	9.5%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash	8%	9%	Cash	7%	10%
	Australian real estate	52%	47%	Australian shares	93%	90%
	International real estate	40%	44%	International shares	0%	0%

You should refer to page 15 for details of footnotes.

INVESTMENT OPTION NAME	GEARED AUSTRALIAN SHARE (SUPER PLAN ONLY)			LIMITED SHARE		
Risk level ¹	7 – Very high			6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with enhanced long-term growth through borrowing (gearing) to invest in a diversified portfolio of Australian shares¹³ outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods. 			Aims to: <ul style="list-style-type: none"> provide members with long-term growth and income through investment in quality industrial and resource shares and other securities outperform the S&P/ASX 300 Accumulation Index (before fees and after tax) over rolling three-year periods. 		
Investment guidelines	Cash ⁴	0-20%		Cash ⁴	0-10%	
	Australian shares ¹³	80-100%		Australian shares ¹⁴	90-100%	
	Gearing level ⁹	0-60%				
Option size as at 30 June 2017	Super Plan:	\$4.2 million		Super Plan:	\$12.6 million	
				Pension Plan:	\$4.1 million	
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	4.65%		Super Plan:	2.07%	
	(includes 0.04% performance-related fees charged in underlying funds)			Pension Plan:	2.08%	
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan		Year ended 30 June	Super Plan	Pension Plan
	2013	34.6%		2013	27.2%	29.3%
	2014	28.8%		2014	17.6%	18.8%
	2015	4.6%		2015	4.4%	5.0%
	2016	1.1%		2016	-1.5%	-1.3%
	2017	15.0%		2017	13.2%	15.6%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	16.1%		5 years	11.7%	13.0%
	10 years	0.9%		10 years	5.6%	6.4%
	Since inception	1.3%		Since inception	8.1%	9.4%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash	10%	9%	Cash	8%	7%
	Australian shares	90%	91%	Australian shares	92%	93%
	International shares	0%	0%			
	Gearing level	52%	51%			

You should refer to page 15 for details of footnotes.

INVESTMENT OPTION NAME	INTERNATIONAL SHARE			CAPITAL GUARANTEE (CLOSED TO NEW MEMBERS)		
Risk level ¹	6 – High			1 – Very low		
Investment return objective	Aims to: <ul style="list-style-type: none"> provide members with long-term growth through investment in a diversified portfolio of international shares¹⁵ outperform the MSCI All Country World Index (unhedged) in Australian dollars (before fees and after tax) over rolling three-year periods. 			Aims to provide members with returns and security through investment in a deposit or product issued by an Approved Deposit taking Institution (ADI) or cash funds, or other pooled structured funds that are supported by a guarantee.		
Investment guidelines	Cash ⁴	0-20%		Bank deposits or cash funds supported by a guarantee		100%
	International shares ^{11,15}	80-100%				
Option size as at 30 June 2017	Super Plan:	\$15.5 million		Super Plan:		\$10.4 million
	Pension Plan:	\$4.1 million		Pension Plan:		\$0.7 million
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	Super Plan:	2.38%		Super Plan:		2.64%
	Pension Plan:	2.37%		Pension Plan:		2.68%
	(includes 0.17% performance-related fees for Super Plan and 0.17% performance-related fees for Pension Plan charged in underlying funds)			(both include 1.10% in indirect costs that we are now required to disclose, which are associated with the underlying fund's investment in derivatives to provide a regular income return that matches the benchmark performance of the Bloomberg AusBond Bank Bill Index on an ongoing basis) ¹⁶		
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	Super Plan	Pension Plan	Year ended 30 June	Super Plan	Pension Plan
	2013	24.7%	27.9%	2013	1.3%	1.7%
	2014	14.5%	16.9%	2014	0.9%	1.1%
	2015	16.5%	18.9%	2015	0.7%	1.0%
	2016	-1.0%	-1.2%	2016	0.6%	0.7%
	2017	14.4%	16.4%	2017	0.1%	0.2%
	Compound average returns to 30 June 2017			Compound average returns to 30 June 2017		
	5 years	13.5%	15.3%	5 years	0.7%	0.9%
	10 years	2.2%	2.7%	10 years	1.5%	2.2%
	Since inception	4.1%	4.7%	Since inception	3.3%	3.6%
Asset allocations (Super Plan)	As at 30 June	2016	2017	As at 30 June	2016	2017
	Cash	2%	2%	Cash	100%	100%
	International shares	98%	98%			

You should refer to page 15 for details of footnotes.

MYSUPER INVESTMENT OPTION

INVESTMENT OPTION NAME	MYSUPER – BALANCED GROWTH		
Risk level ¹	6 – High		
Investment return objective	Aims to: <ul style="list-style-type: none"> • provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments • outperform a composite benchmark reflecting its allocation to the various asset types over rolling three-year periods • provide a total return of 3% per annum above inflation over rolling 10 year periods, net of investment and administration fees and superannuation fund taxes. 		
Investment guidelines	Australian shares ¹⁷	10-50%	
	International shares	10-50%	
	Property	0-15%	
	Fixed income	0-35%	
	Cash and enhanced cash ¹⁸	0-30%	
	Other assets ¹⁹	0-30%	
Option size as at 30 June 2017	MySuper:	\$209.1 million	
Total annual investment fees and estimated indirect costs for year ended 30 June 2017	MySuper:	1.46%	
Investment performance (net earnings) % pa (see page 5 for further information)	Year ended 30 June	MySuper	
	2013	n/a	
	2014	n/a	
	2015	7.0%	
	2016	2.0%	
	2017	8.5%	
	Compound average returns to 30 June 2017		
	5 years	n/a	
	10 years	n/a	
	Since inception	5.6%	
Asset allocations	As at 30 June	2016	2017
	Australian shares	29%	29%
	International shares	25%	30%
	Property	3%	5%
	Fixed income	10%	13%
	Cash and enhanced cash	12%	7%
	Other assets	21%	16%

You should refer to page 15 for details of footnotes.

FOOTNOTES TO INVESTMENT OPTIONS PROFILE TABLES

- 1 The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

The SRMs for the investment options may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations by the investment managers. Any changes to SRMs at any time will be available at our website.

- 2 Irrespective of the underlying fund name, which is reflected in the investment option name, the Trustee advises that this investment option has an SRM risk band rating of 4 (refer footnote 1 above).
- 3 The composite benchmarks comprise, as applicable to the various asset types in the underlying funds:
- cash and enhanced cash – Bloomberg AusBond Bank Bill Index
 - fixed income – 50% Bloomberg AusBond Composite O+ Yr Index and 50% Barclays Capital Global Aggregate Index (hedged to Australian dollars)
 - diversified credit – Bloomberg AusBond Bank Bill Index
 - income alternatives – Bloomberg AusBond Bank Bill Index plus 2%
 - real estate – 50% S&P/ASX 300 A-REIT Accumulation Index and 50% FTSE EPRA/NAREIT Global Real Estate Index
 - Australian shares – S&P/ASX 300 Accumulation Index
 - international shares – MSCI All Country World Index
 - growth alternatives – Bloomberg AusBond Bank Bill Index plus 5%.
- 4 Cash may also be held for liquidity in the underlying funds, so the overall cash allocation may be greater than that stated.
- 5 Fixed income includes Australian fixed income, diversified credit and international fixed income – refer to the ‘Investment guidelines’ for the ‘Fixed Income’ investment option on page 10 for further details.
- 6 The currency exposure of international assets in the underlying funds is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.
- 7 Real estate includes both Australian and international assets – refer to the ‘Investment guidelines’ for the ‘Real Estate’ investment option on page 11 for further details.
- 8 Also permitted to be included are company shares, unit trusts and other securities that are expected to have a return related to property investments or management as their dominant underlying assets.
- 9 The gearing level is the underlying fund’s borrowings divided by the total gross value of its assets. It will depend on the present levels and future expectation of the underlying fund’s income (excluding franking credits) and its cost on borrowings. The maximum gearing limit may be exceeded for short periods of time due to extreme market volatility.
- 10 The composite benchmark comprises:
- Australian fixed income – Bloomberg AusBond Composite O+ Yr Index
 - diversified credit – Bloomberg AusBond Bank Bill Index
 - international fixed income – Barclays Capital Global Aggregate Index (hedged to Australian dollars).
- 11 The currency exposure of international assets is monitored and hedging strategies may be implemented (using derivatives) with the aim of reducing the impact of adverse currency movements.
- 12 The composite benchmark comprises:
- Australian real estate – S&P/ASX 300 A-REIT Accumulation Index
 - international real estate – FTSE EPRA/NAREIT Global Real Estate Index.
- 13 Securities listed on overseas exchanges may be purchased subject to limits agreed by the Trustee.
- 14 The underlying fund’s investment universe allows it to invest, directly or indirectly, in stocks listed or to be listed on sharemarket exchanges outside Australia. Exposure to stocks outside Australia is limited to 20%.
- 15 Securities listed on the Australian Securities Exchange may be purchased subject to limits agreed by the Trustee.
- 16 Refer to ‘Fees and costs disclosure’ on page 4 for information about new fees and costs disclosure requirements under ASIC Class Order [CO 14/1252] (as amended).
- 17 The underlying fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the underlying fund invests in the Perpetual Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the underlying fund’s maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
- 18 The underlying fund may invest in enhanced cash funds that allow gearing.
- 19 Other assets may include, but are not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the underlying fund’s diversification and may help reduce volatility.

UNDERLYING INVESTMENTS

The following table provides details of the Fund's underlying investments in unlisted managed investment schemes that had a value in excess of 5% of the Fund's total assets as at 30 June 2017.

UNDERLYING INVESTMENTS	VALUE OF INVESTMENT (\$M)	PERCENTAGE OF TOTAL FUND ASSETS
Perpetual Private Australian Share Fund	\$334.583	22.48%
Perpetual Private International Share Fund	\$303.480	20.39%
Perpetual Balanced Growth Fund No. 2	\$199.396	13.40%
Perpetual Growth Alternatives Pool Fund	\$120.164	8.07%
Perpetual Private Duration Fixed Income Fund	\$107.833	7.24%
Perpetual Private Real Estate Fund	\$100.316	6.74%
Perpetual Institutional Cash Management Trust	\$90.196	6.06%
Sub-total	\$1,255.968	84.38%
All other	\$232.449	15.62%
Total Fund assets	\$1,488.417	100.00%

FUND INFORMATION

THE FUND

The Fund is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS). The Trustee operates, and intends to continue to operate, the Fund as a complying superannuation fund.

THE FUND'S GROWTH

The Fund commenced in May 1989. The number of members and participating employers and funds under administration as at 30 June 2017 are shown in the following table.

	SUPER PLAN	MYSUPER	PENSION PLAN	TOTAL
Number of personal members	4,946	3,897	1,282	10,125
Number of employer sponsored members	2,269	4,846	n/a	7,115
Total members	7,215	8,743	1,282	17,240
Participating employers	1,021	814	n/a	1,557*
Funds under administration (\$m)	\$668.2	\$209.1	\$611.1	\$1,488.4

* This total represents the number of unique participating employers in the Fund, which is less than the sum of the Super Plan and MySuper participating employers as it takes into account that some participating employers contribute on behalf of both Super Plan and MySuper members.

INDEMNITY INSURANCE

Professional indemnity insurance has been effected by the Trustee.

TRUST DEED

The Trust Deed dated 1 March 1989 (as amended) is a legal document that sets out the provisions governing the operation of the Fund and the rights and obligations of members and the Trustee. The Trustee is responsible for ensuring that the Fund operates according to the Trust Deed and the accompanying Rules, and that the Fund complies with all relevant laws.

Members may inspect the Trust Deed at any time at our website or by arrangement with us.

POLICY COMMITTEES (MYSUPER ONLY)

For MySuper, a Policy Committee consisting of equal numbers of member and employer representatives is required to be established for each employer-sponsored arrangement of more than 49 standard employer-sponsored members with the same standard employer-sponsor, and for each employer-sponsored arrangement with up to 49 members if at least five members write to the Trustee.

The Policy Committee must meet at least once a year to discuss various business such as investment returns, benefit design and administration issues.

For relevant employer sponsored arrangements in MySuper, elections are held at regular intervals to select member representatives for the Policy Committee. The sponsoring employer will advise all members in their plan the names of all Policy Committee members for the ensuing period (including employer appointed representatives) shortly after the completion of each election process.

INQUIRIES AND COMPLAINTS

The Trustee has established procedures for dealing with member inquiries and complaints. If you have an inquiry or a complaint, you can either phone us on 1800 003 001 during business hours (Sydney time) or write to:

Client Services
Perpetual Select
GPO Box 4171
Sydney NSW 2001

We will endeavour to respond to your inquiry within 30 days and must respond to complaints within 90 days.

If you are dissatisfied with a decision of the Trustee which affects you, and your complaint has not been resolved to your satisfaction, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Commonwealth Government to review certain types of trustee decisions. You can phone the SCT from anywhere in Australia on 1300 884 114.

ELIGIBLE ROLLOVER FUND

The Trustee reserves the right to transfer to an eligible rollover fund (ERF):

- Super Plan accounts of less than \$1,000 where a member has not contributed to their account in the previous two years
- MySuper accounts where a member has not contributed to their account in the previous two years or we are unable to contact the member (eg no address on our records or correspondence is returned to us unclaimed).

The Trustee will pay any money it decides to pay to an ERF into the Australian Eligible Rollover Fund (AERF). The trustee of the AERF is Perpetual Superannuation Limited.

Being transferred to the AERF may affect your benefits because:

- you will cease to be a member of the Fund and will no longer have any insurance benefits (if held previously)
- you will become a member of the AERF and be subject to its governing rules
- the AERF will invest your benefit according to its investment strategy.

Contact details for the AERF are as follows:

Australian Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Phone: 1800 677 424

LOST MEMBERS

You will be considered a lost member in the Fund if:

- you have been a member of the Fund for longer than two years, you are an inactive standard employer-sponsored member and there have been no contributions or rollovers for you within the past five years or
- you are uncontactable if
 - either:
 - the Fund has never had an address (whether non-electronic or electronic) for you
 - or**
 - at least one written communication (whether non-electronic or electronic) has been sent to your last known address (or addresses) and we believe, on reasonable grounds (eg communication returned unclaimed), that you can no longer be contacted at any address known to us **and**
 - you have not contacted us (whether by written communication or otherwise) within the last 12 months **and**
 - you have not accessed details about your interest in the Fund from any electronic facility we have provided within the last 12 months **and**
 - we have not received a contribution or rollover for you within the last 12 months.

Members who are classed as lost may also have their investment transferred to the AERF, unless your account is required to be paid to the ATO as unclaimed super (see 'Unclaimed super' below).

UNCLAIMED SUPER

Your superannuation may be treated as unclaimed money if you:

- have reached age 65 and we have not received an amount on your behalf for at least two years and five years have passed since we last had contact with you or
- were a temporary resident who has permanently departed Australia and you did not claim your benefits within six months of the later of the date of your departure or your visa ceasing to be effective (except if you are an Australian or New Zealand citizen). We will make all reasonable efforts to contact you in such circumstances, however, it is important that you notify us of any changes to your details.

Where your benefits become unclaimed money, we are required to pay them to the ATO within certain time frames. After payment to the ATO, we are discharged from any further liability for payment of the benefit and you may claim your benefit by contacting the ATO. In some circumstances, tax may be payable.

We are also required to transfer certain small and insoluble lost accounts to the ATO as unclaimed super where you are a lost member (see above) and:

- the balance of the account is less than \$6,000 or
- the account has been inactive for a period of 12 months and we have insufficient records to identify the owner of the account.

Interest will be paid at a rate equivalent to CPI inflation from 1 July 2013 on all lost superannuation accounts reclaimed from the ATO.

ABRIDGED FINANCIAL INFORMATION

The general purpose financial report for the Fund has been prepared in accordance with the requirements of the Trust Deed, the accounting and disclosure requirements of AASB 1056 Superannuation Entities, other applicable Accounting Standards, the requirements of SIS and other relevant legislative requirements.

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

ALLOCATION OF EARNINGS

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

INTEREST EARNED ON APPLICATION AND WITHDRAWAL ACCOUNTS

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

SUSPENSION OF APPLICATIONS, SWITCHES AND WITHDRAWALS

In certain emergency situations which impact on the effective and efficient operation of a market for an asset held by an investment option or in circumstances where we otherwise consider it to be in the interests of members, we may choose to suspend the processing of all applications, switches or withdrawals for that investment option. This may include situations where:

- we cannot properly ascertain the value of an asset held by the investment option
- an event occurs that results in Perpetual not being able to reasonably acquire or dispose of assets held by the investment option
- an underlying fund suspends applications and withdrawals
- the law otherwise permits us to delay or restrict processing applications or withdrawals.

Applications, withdrawals or switch requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

APPENDIX 1: ABRIDGED FINANCIAL STATEMENTS

INCOME STATEMENT

	2017 \$,000	2016 \$,000
INCOME		
Dividends/distributions	44,332	38,735
Interest	980	838
Changes in fair value of investments	70,919	3,885
Other income	6,526	7,337
Total income	122,757	50,795
EXPENSES		
Investment expenses	8,530	9,785
Administration expenses	2,381	2,065
Other operating expenses	762	772
Total expenses	11,673	12,622
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX	111,084	38,173
Income tax (expense)/benefit	(1,513)	3,403
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX	109,571	41,576
Net benefits allocated to members' accounts	(107,657)	(41,576)
PROFIT/(LOSS) AFTER INCOME TAX	1,914	-

STATEMENT OF FINANCIAL POSITION

	2017 \$,000	2016 \$,000
ASSETS		
Cash and cash equivalents	64,874	62,367
Investments	1,405,104	1,403,806
Distributions receivable	22,359	17,688
Interest receivable	3	90
Deferred tax assets	-	2,135
Other receivables	6,795	7,629
Total assets	1,499,135	1,493,715
LIABILITIES		
Payables	6,938	3,446
Current tax liabilities	1,444	78
Deferred tax liabilities	2,336	-
Total liabilities	10,718	3,524
NET ASSETS AVAILABLE FOR MEMBER BENEFITS	1,488,417	1,490,191
Member benefits	(1,486,503)	(1,490,191)
TOTAL NET ASSETS	1,914	-
EQUITY		
Unallocated surplus/(deficiency)	1,914	-
Total equity	1,914	-

STATEMENT OF CHANGES IN MEMBER BENEFITS

	2017 \$,000	2016 \$,000
OPENING BALANCE OF MEMBER BENEFITS	1,490,191	1,545,377
Contributions – employer	41,151	42,722
Contributions – member	39,609	35,810
Transfers from other funds	17,014	40,579
Government co-contributions	427	470
Income tax on contributions	(5,286)	(5,577)
Net after tax contributions	92,915	114,004
Benefit payments	(205,133)	(210,274)
Insurance premiums charged to members' accounts	(5,128)	(3,932)
Death and disability benefits credited to members' accounts	6,001	3,440
BENEFITS ALLOCATED TO MEMBERS' ACCOUNTS		
Net investment income	110,038	43,641
Administration fees	(2,381)	(2,065)
Net benefits allocated to members' accounts	107,657	41,576
CLOSING BALANCE OF MEMBER BENEFITS	1,486,503	1,490,191

STATEMENT OF CHANGES IN EQUITY

	2017 \$,000	2016 \$,000
OPENING BALANCE	-	-
Profit/(loss) after income tax	1,914	-
CLOSING BALANCE	1,914	-

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