

PERPETUAL SUPER WRAP

Perpetual Private Super Wrap
Perpetual Private Pension Wrap
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 Super Wrap (Fund)
ABN 22 897 174 641
RSE R1074406

PRODUCTS

Perpetual Private Super Wrap (Super Wrap)
SPIN PER0667AU

Perpetual Private Pension Wrap (Pension Wrap)
SPIN PER0665AU

ISSUER AND TRUSTEE

Perpetual Superannuation Limited (Trustee)
ABN 84 008 416 831
AFSL 225246
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.

CONTENTS

DIRECTORS' MESSAGE	1
SUPERANNUATION CHANGES	2
Indexation of superannuation limits and thresholds	2
Tax on benefits paid to members	2
Federal Budget 2017 – Proposed changes affecting superannuation	3
PRODUCT UPDATE	4
Super Wrap	4
Pension Wrap	4
INVESTMENT INFORMATION	5
Trustee's investment objective	5
Investment options	5
Investment menu	10
Trustee investment limits	10
Asset allocation	10
Significant investment holdings	10
Investment performance	10
FUND INFORMATION	11
The Fund	11
Indemnity insurance	11
Trust deed	11
Enquiries and complaints	11
Eligible rollover fund (ERF)	11
Lost members	11
Unclaimed super	11
Abridged financial information	12
Value of your account	12
APPENDIX 1: ABRIDGED FINANCIAL STATEMENTS	13

DIRECTORS' MESSAGE

Dear Member

On behalf of the Trustee of Perpetual Super Wrap (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 Private Super Wrap (Super Wrap) and
- Perpetual Private Pension Wrap (Pension Wrap).

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. It also provides information on important changes in the superannuation environment (see pages 2-3 for details).

The Super Wrap and Pension Wrap enable you to access a broad range of investments so with the help of your financial adviser you can tailor an investment strategy to suit your own circumstances and objectives.

If you are a Super Wrap member and have other superannuation accounts you may like to consider consolidating them into your Super Wrap account. This should make it easier to keep track of your superannuation and may save you on total fees and costs. To request a Rollover Authority form, please contact your adviser or phone us on 1800 099 265. 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

SUPER WRAP

INSURANCE THROUGH THE SUPER WRAP – CHANGES TO THE INSURER

Effective from 1 October 2016, part of the business of Macquarie Life was transferred to Zurich Australia Limited (ABN 92 000 010 195, AFSL 232510) (Zurich), including existing policies for the following types of insurance cover provided to Super Wrap members:

- death and terminal illness
- total and permanent disability
- income protection.

Zurich also replaced Macquarie Life as insurer for any new or additional insurance cover taken out by Super Wrap members from that date.

Subsequent to the reporting date, from 1 August 2017, Super Wrap members have the option of applying to either Zurich and/or AIA Australia Limited (ABN 79 004 837 861, AFSL 230043) (AIA) as insurer for their chosen type(s) of cover.

For detailed information about the insurance cover offered through the Super Wrap from 1 August 2017, please refer to the respective life insurance offer documents issued by Zurich and AIA, which can be obtained from your adviser.

PENSION WRAP

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 range of investment options within which all members can select investments that are suitable for their personal circumstances at any particular time.

INVESTMENT OPTIONS

The investment options available through the Super Wrap and Pension Wrap are listed in the following 'Investment option classifications' table.

By investing your superannuation through the Super Wrap and Pension Wrap you have access to an extensive range of investments, including managed investments, ASX listed securities and term deposits.

INVESTMENT OPTION CLASSIFICATIONS

ASSET CLASS	INVESTMENT OPTION CLASSIFICATION	INVESTMENT OBJECTIVE (BEFORE TAX AND FEES)	INVESTMENT STRATEGY/ TYPICAL BENCHMARK	STANDARD RISK MEASURE (SRM)!/ RISK PROFILE	REPRESENTATIVE ASSET ALLOCATION	
					ASSET CLASS	ALLOCATION (RANGES)
Cash	Cash	To earn returns that match the performance of the stated benchmark over rolling 1 year periods .	Funds offered will typically benchmark with reference to the Bloomberg AusBond Bank Bill Index.	1 – Very low	Cash	100% (100%)
Fixed interest	Australian fixed interest – core	To earn returns that match the performance of the stated benchmark over rolling 3 year periods .	Funds offered will typically benchmark with reference to an Australian index such as the Bloomberg AusBond Composite O+ Yr Index.	3 – Low to medium	Australian fixed interest Cash	100% (80%-100%) 0% (0%-20%)
	Australian mortgage backed	To earn returns from a diversified portfolio of Australian mortgages over rolling 1 year periods . To achieve an income/yield above cash.	Funds offered will typically benchmark with reference to the Bloomberg AusBond Bank Bill Index plus a margin of between 1-2%.	3 – Low to medium	Mortgages Cash	100% (80%-100%) 0% (0%-20%)
	Global bonds – core	To earn returns that match the performance of the stated benchmark over rolling 3 year periods .	Funds offered will typically benchmark with reference to a global bond index such as the Citigroup World Government Bond Index (hedged into \$A) or the Barclays Global Aggregate (hedged to \$A).	4 – Medium	International fixed interest Cash	100% (80%-100%) 0% (0%-20%)
	Global bonds – income	To earn returns that match the performance of the stated benchmark over rolling 3 year periods .	Funds offered will typically benchmark with reference to a global bond index such as the Barclays Global Aggregate (hedged to \$A) or to a Cash benchmark plus a margin of 1-3%.	3 – Low to medium	Sovereign Multi-sector Cash	(0%-100%) (0%-100%) (0%-20%)
	Global bonds – inflation linked	To earn returns that match the performance of the stated benchmark over rolling 3 year periods .	Funds offered will typically benchmark with reference to a global inflation linked bond index such as the Barclays Global Inflation Linked Bond Index (hedged to \$A).	5 – Medium to high	Global inflation linked bonds Cash	100% (80%-100%) 0% (0%-20%)

INVESTMENT OPTION CLASSIFICATIONS (CONTINUED)

ASSET CLASS	INVESTMENT OPTION CLASSIFICATION	INVESTMENT OBJECTIVE (BEFORE TAX AND FEES)	INVESTMENT STRATEGY/TYPICAL BENCHMARK	STANDARD RISK MEASURE (SRM) ¹ / RISK PROFILE	REPRESENTATIVE ASSET ALLOCATION	
					ASSET CLASS	ALLOCATION (RANGES)
Real assets	Infrastructure – global	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered will typically benchmark with reference to a listed index or inflation linked target.	6 – High	Global infrastructure Cash	100% (80%-100%) 0% (0%-20%)
	Real estate – listed – Australian	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered will typically benchmark with reference to a listed property index such as the S&P/ASX 300 A-REIT Index.	7 – Very high	Australian real estate investment trusts (A-REITs) Cash	100% (80%-100%) 0% (0%-20%)
	Real estate – listed – global	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered will typically benchmark with reference to a listed property index such as the FTSE EPRA/NAREIT (hedged to AUD) or UBSW Global Investors (hedged to AUD).	6 – High	Global real estate investment trusts (REITs) Cash	100% (80%-100%) 0% (0%-20%)
	Real estate – diversified – Australian and global	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered will typically benchmark with reference to a direct property index such as the Mercer/IPD PPI (NAV).	5 – Medium to high	Direct property Cash	100% (80%-100%) 0% (0%-20%)
Alternatives	Hedge funds – multi-strategy and trading strategies	To deliver consistent medium term returns with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes over rolling 5 year periods .	Funds target either a specific level of return in excess of a hurdle rate return or a specific alternative asset index.	5 – Medium to high	Non-traditional assets Traditional assets Cash	80% (0%-100%) 20% (0%-100%) 0% (0%-100%)
	Hedge funds – global macro/managed futures	To deliver consistent medium term returns with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes over rolling 5 year periods .	Funds target either a specific level of return in excess of a hurdle rate return or a specific alternative asset index.	5 – Medium to high	Non-traditional assets Traditional assets Cash	80% (0%-100%) 20% (0%-100%) 0% (0%-100%)
	Alternatives – diversified	To deliver consistent medium term returns with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes over rolling 5 year periods .	Funds target either a specific level of return in excess of a hurdle rate return or a specific alternative asset index.	6 – High	Non-traditional assets Traditional assets Cash	80% (0%-100%) 20% (0%-100%) 0% (0%-100%)

INVESTMENT OPTION CLASSIFICATIONS (CONTINUED)

ASSET CLASS	INVESTMENT OPTION CLASSIFICATION	INVESTMENT OBJECTIVE (BEFORE TAX AND FEES)	INVESTMENT STRATEGY/ TYPICAL BENCHMARK	STANDARD RISK MEASURE (SRM)/ RISK PROFILE	REPRESENTATIVE ASSET ALLOCATION	
					ASSET CLASS	ALLOCATION (RANGES)
Australian shares	Australian equity	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to the S&P/ASX 300 Accumulation Index.	6 – High	Australian equities Cash	100% (80%-100%) 0% (0%-20%)
	Australian equity – small cap	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to the S&P/ASX Small Ordinaries Accumulation Index.	6 – High	Australian small equities Cash	100% (80%-100%) 0% (0%-20%)
	Australian equity – geared	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered are typically Australian long only equity funds which benchmark with reference to the S&P/ASX 300 Accumulation Index.	7 – Very high	Australian equities Cash	100% (80%-100%) 0% (0%-20%)
Global shares	Global equity – unhedged	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to a broad market global index such as the MSCI World ex-Australia Index (in \$A) or the MSCI AC Index (in \$A).	6 – High	International equities Cash	100% (80%-100%) 0% (0%-20%)
	Global equity – hedged	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to a broad market global index such as the MSCI World ex-Australia Index (hedged to \$A) or the MSCI AC Index (hedged to \$A).	6 – High	International equities Cash	100% (80%-100%) 0% (0%-20%)
	Global equity – small cap	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to the MSCI Small Cap Index (in \$A).	6 – High	International small equities Cash	100% (80%-100%) 0% (0%-20%)
	Global regional equity – Asian and emerging markets	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to a broad market or country grouping emerging market index such as the MSCI Emerging Markets Index or the MSCI Asia ex Japan Index.	7 – Very high	Asian (excluding Japan)/ emerging market equities Cash	100% (80%-100%) 0% (0%-20%)
	Global regional equity – developed market	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to the relevant regional component of the MSCI Index.	6 – High	Regional international equities Cash	100% (80%-100%) 0% (0%-20%)
	Global sector specific equity (unhedged)	To earn returns that match the performance of the stated benchmark over rolling 5 year periods .	Funds offered typically benchmark with reference to the relevant sector component of the MSCI or S&P/ASX Index.	7 – Very high	Sector specific international equities Cash	100% (80%-100%) 0% (0%-20%)

INVESTMENT OPTION CLASSIFICATIONS (CONTINUED)

ASSET CLASS	INVESTMENT OPTION CLASSIFICATION	INVESTMENT OBJECTIVE (BEFORE TAX AND FEES)	INVESTMENT STRATEGY/ TYPICAL BENCHMARK	STANDARD RISK MEASURE (SRM) ¹ / RISK PROFILE	REPRESENTATIVE ASSET ALLOCATION	
					ASSET CLASS	ALLOCATION (RANGES)
Diversified	All growth (100% growth assets)	To earn returns that exceed Headline CPI increases by at least 4.5% per annum over rolling 5 year periods.	Funds offered will typically represent traditional multi-sector growth funds with 100% in growth assets.	6 – High	Australian equities International equities Cash	40% (20%-60%) 60% (40%-80%) 0% (0%-5%)
	Multi-asset – high growth (80%-100% growth assets)	To earn returns that exceed Headline CPI increases by at least 4% per annum over rolling 5 year periods.	Funds offered will typically represent traditional multi-sector growth funds with between 80-100% growth assets.	6 – High	Australian equities International equities Property Fixed interest Other Cash/enhanced cash	40% (38%-42%) 40% (38%-42%) 10% (5%-15%) 10% (8%-12%) 0% (0%-30%) 0% (0%-10%)
	Multi-asset – balanced growth (60%-80% growth assets)	To earn returns that exceed Headline CPI increases by at least 3.0% per annum over rolling 5 year periods.	Funds offered will typically represent traditional multi-sector growth funds with between 60-80% growth assets.	5 – Medium to high	Australian equities International equities Property Fixed interest Other Cash/enhanced cash	27% (10%-50%) 27% (10%-50%) 3% (3%-15%) 10% (0%-35%) 21% (0%-30%) 12% (0%-30%)
	Multi-asset – moderate (40%-60% growth assets)	To earn returns that exceed Headline CPI increases by at least 2.5% per annum over rolling 3 year periods.	Funds offered will typically represent traditional multi-sector growth funds with between 40-60% growth assets.	4 – Medium	Australian equities International equities Property Fixed interest Other Cash/enhanced cash	20% (0%-35%) 20% (10%-30%) 3% (0%-15%) 20% (10%-45%) 15% (0%-30%) 22% (0%-30%)
	Multi-asset – conservative (less than 40% growth assets)	To earn returns that exceed Headline CPI increases by at least 2% per annum over rolling 3 year periods.	Funds offered will typically represent traditional multi-sector defensive funds with less than 40% in growth assets.	3 – Low to medium	Australian equities International equities Property Fixed interest Other Cash/enhanced cash	11% (0%-25%) 9% (0%-20%) 3% (0%-10%) 30% (15%-55%) 13% (0%-30%) 34% (15%-45%)

INVESTMENT OPTION CLASSIFICATIONS (CONTINUED)

ASSET CLASS	INVESTMENT OPTION CLASSIFICATION	INVESTMENT OBJECTIVE (BEFORE TAX AND FEES)	INVESTMENT STRATEGY/ TYPICAL BENCHMARK	STANDARD RISK MEASURE (SRM) ¹ / RISK PROFILE	REPRESENTATIVE ASSET ALLOCATION	
					ASSET CLASS	ALLOCATION (RANGES)
Listed securities	Australian securities	To provide investors with a growth investment return from exposure to companies listed on the Australian Securities Exchange (ASX). This strategy may provide additional returns by investing in Australian companies that declare partially or fully franked dividends.	Investors using this strategy can expect to experience short to medium term fluctuation in the value of their investment. There is a high likelihood of a negative return in a given short term investment period.	7 – Very high	Listed Australian securities	100% (100%)
	Interest rate securities	To provide investors with a regular income stream above the cash rate over the short to medium term.	Suitable for investors seeking a regular income yield above the cash rate and seeking short to medium term volatility in their capital value.	5 – Medium to high	Listed interest rate securities	100% (100%)
Term deposits	Term deposits	To provide investors with an agreed rate of interest over a fixed amount of time, generally up to five years.	Suitable for investors seeking low risk and a set return for a pre-determined period.	1 – Very low	Term deposits	100% (100%)

- 1 The SRM is based on industry guidance to allow members to compare investments 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 investments.

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.

INVESTMENT MENU

You can spread your account across an extensive range of investment options and investment managers.

Your adviser will provide you with the investment menu and recommend an appropriate investment strategy to suit your needs and risk profile.

You must read the product disclosure statements for any managed investments you are considering. These will be provided by your adviser free of charge.

ADDITION AND REMOVAL OF INVESTMENT OPTIONS

Our investment menu is reviewed regularly and is likely to vary over time where we believe it is in the best interests of members to do so.

Where possible, to allow you and your adviser time to adjust to variations to the investment menu, we will give advance notice of such a variation affecting your investment and the choice of retaining or disposing of that investment.

In adding or removing investment options to or from the investment menu, we do not take any liability for any movement in asset price or costs as they relate to delays in admitting or removing the investment nor do we make any representations as to the suitability of the investment either generally or for your personal circumstances.

The current investment menu at any time is available at www.perpetual.com.au/superwrap or can be obtained, without charge, from your adviser.

TRUSTEE INVESTMENT LIMITS

Some restrictions have been placed on certain types of investments available.

Investment limits are detailed in a separate document which is available at www.perpetual.com.au/superwrap or can be obtained, without charge, from your adviser.

These restrictions are designed to reduce the potential for losses by encouraging diversification and to ensure adequate liquidity to meet payments and satisfy regulatory requirements. Please note that limits do not eliminate the risk of large losses or insufficient liquidity.

We may change investment limits and may also place additional limits upon individual investments within each investment option at any time. If we determine that investment limits are to be added, withdrawn or amended we will endeavour to provide you and/or your adviser with advance notice of the change, however, this may not be possible in all circumstances.

ASSET ALLOCATION

The following table shows how the Fund was invested across different asset classes. Term deposits are classified as cash and ASX listed securities are classified as Australian shares.

Where a managed fund invests across a number of asset classes, we treat the asset allocation based on a 'look through basis' using the individual asset allocations either provided by the investment managers directly or sourced from a third party. Asset allocations for managed funds can vary over time within ranges specified by the individual product issuers, as detailed in their product disclosure statements.

ASSET CLASS	30 JUNE 2016	30 JUNE 2017
Cash	17.1%	9.7%
Australian fixed income	17.2%	21.9%
International fixed income	2.9%	1.2%
Property	10.0%	9.1%
Australian shares	31.5%	32.2%
International shares	19.9%	24.4%
Other	1.4%	1.5%
TOTAL	100.0%	100.0%

SIGNIFICANT INVESTMENT HOLDINGS

The following tables provide details of the Fund's direct or indirect investment holdings that had a value in excess of 5% of the Fund's total assets as at 30 June 2017. Totals may vary slightly to the sum of the various components due to roundings in the components.

UNDERLYING INVESTMENTS	VALUE OF INVESTMENT (\$,000)	PERCENTAGE OF TOTAL FUND ASSETS
Perpetual Private International Share Fund ¹	\$258,113	20.2%
Perpetual Private Fixed Income Fund ¹	\$221,697	17.3%
Perpetual Private Real Estate Fund ¹	\$106,352	8.3%
Perpetual Cash Account	\$85,294	6.7%
Perpetual Private Australian Share Fund ¹	\$69,851	5.5%
Sub-total	\$741,307	57.9%
All other	\$539,017	42.1%
Total Fund assets	\$1,280,324	100.0%

1 Class I units.

ENTERPRISES	VALUE OF INVESTMENT (\$,000)	PERCENTAGE OF TOTAL FUND ASSETS
Perpetual Group ²	\$772,141	60.3%
Macquarie Group Limited	\$88,061	6.9%
Sub-total	\$860,202	67.2%
All other	\$420,122	32.8%
Total Fund assets	\$1,280,324	100.0%

2 Perpetual Group means Perpetual Limited (ABN 86 000 431 827) and its subsidiaries.

INVESTMENT PERFORMANCE

You should refer to your Annual Statement for the year ended 30 June 2017 for details of investment performance relating to your chosen investments.

FUND INFORMATION

THE FUND

Membership of the Fund was first offered in April 2012.

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.

INDEMNITY INSURANCE

Professional indemnity insurance has been effected by the Trustee.

TRUST DEED

The trust deed dated 30 September 2011 (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 www.perpetual.com.au/superwrap or by arrangement with us.

ENQUIRIES AND COMPLAINTS

We have arrangements for dealing with your enquiries and complaints. If you have a complaint, contact your adviser and discuss your enquiry or complaint with them.

If you are not satisfied with the result, you may telephone us on 1800 099 265 or write to us at:

The Complaints Resolution Officer
Perpetual Private Super Wrap
GPO Box 5230
Sydney NSW 2001.

We aim to respond to enquiries or complaints as soon as possible and ordinarily within 45 days of receipt.

If you are still not satisfied with our response after 90 days, you may wish to refer the matter to the Superannuation Complaints Tribunal to review trustee decisions relating to individual members. You can contact the tribunal by telephoning 1300 884 114 or go to www.sct.gov.au for more information.

ELIGIBLE ROLLOVER FUND (ERF)

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. Contact details for the AERF are as follows:

Australian Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

Phone: 1800 677 424

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.

You should refer to the PDS for the Australian Eligible Rollover Fund for more information.

LOST MEMBERS

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

VALUE OF YOUR ACCOUNT

The value of your account is the aggregate net value of your investments, including your Perpetual Cash Account, after the deduction of fees, taxes and charges. The information below is a guide on how different investments are valued and what will be reported. Accrued fees and taxes are not reflected on your portfolio valuation report.

PERPETUAL CASH ACCOUNT

Returns are distributed to your Perpetual Cash Account monthly. Accrued returns are not reported on your account until they are paid.

TERM DEPOSITS

The value of a term deposit is determined by the amount initially invested. Interest is reported when the term deposit has matured and the interest has been paid.

MANAGED INVESTMENTS

When you invest in a managed investment, the number of units allocated to you depends on its unit price and the amount you invest. Each managed investment will have a unit price set by the product issuer. The unit price that you receive is determined by the product issuer, and generally reflects the value of the managed investment's assets after deducting the product issuer's fees, expenses and transaction costs. The value of your managed investments will be the number of units held by you multiplied by the redemption unit price set by the product issuer. Further details are available in the product disclosure statement for each managed investment.

Managed investment distributions will not be accrued on your account valuation after they have been declared by the product issuer and will only be credited and reported once received by us.

ASX LISTED SECURITIES (EXCLUDING INSTALMENT WARRANTS)

Listed securities are valued at their last available closing price on the ASX. If no trades have occurred for a security during the day, the last traded price will be used.

INSTALMENT WARRANTS

The valuation price used to value instalment warrants is generally more reflective of an instalment warrant's value as the last available closing price may be several days old but the underlying security's value may have increased or decreased substantially. The valuation price would be expected to better reflect the instalment warrant price once the next trade in this security is made.

CHANGES IN METHODS FOR VALUING ASSETS

At our discretion, we may change the method by which we value an asset. For example, where a method becomes available which reflects more accurately the fair value of these assets, we may select to use this method. Where a particular asset we believe is not fairly valued using the standard methods described above, we may report a value that we believe reflects a more accurate value.

APPENDIX 1: ABRIDGED FINANCIAL STATEMENTS

INCOME STATEMENT

	2017 \$,000	2016 \$,000
INCOME		
Dividends/distributions	39,048	27,488
Interest	888	1,422
Changes in fair value of investments	68,972	(3,500)
Total income	108,908	25,410
EXPENSES		
Administration expenses	5,100	4,351
Other operating expenses	6,464	5,400
Total expenses	11,564	9,751
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX	97,344	15,659
Income tax (expense)/benefit	4,369	2,040
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX	101,713	17,699
Net benefits allocated to members' accounts	(101,713)	(17,699)
PROFIT/(LOSS) AFTER INCOME TAX	-	-

STATEMENT OF FINANCIAL POSITION

	2017 \$,000	2016 \$,000
ASSETS		
Cash and cash equivalents	85,294	73,966
Investments	1,170,082	961,468
Distributions receivable	21,523	13,963
Interest receivable	170	327
Current tax assets	5,172	2,409
Deferred tax assets	-	753
Other receivables	74	61
Total assets	1,282,315	1,052,947
LIABILITIES		
Payables	1,149	969
Deferred tax liabilities	842	-
Total liabilities	1,991	969
NET ASSETS AVAILABLE FOR MEMBER BENEFITS	1,280,324	1,051,978
Member benefits	(1,280,324)	(1,051,978)
TOTAL NET ASSETS	-	-
EQUITY		
Unallocated surplus/(deficiency)	-	-
Total equity	-	-

STATEMENT OF CHANGES IN MEMBER BENEFITS

	2017 \$,000	2016 \$,000
OPENING BALANCE OF MEMBER BENEFITS	1,051,978	847,678
Contributions – employer	2,386	1,591
Contributions – member	135,294	194,127
Transfers from other funds	87,162	56,700
Government co-contributions	4	4
Income tax on contributions	(545)	(384)
Net after tax contributions	224,301	252,038
Benefit payments	(97,644)	(65,420)
Insurance premiums charged to members' accounts	(24)	(17)
Death and disability benefits credited to members' accounts	-	-
BENEFITS ALLOCATED TO MEMBERS' ACCOUNTS		
Net investment income	106,813	22,050
Administration fees	(5,100)	(4,351)
Net benefits allocated to members' accounts	101,713	17,699
CLOSING BALANCE OF MEMBER BENEFITS	1,280,324	1,051,978

STATEMENT OF CHANGES IN EQUITY

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

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123 Pitt Street
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Level 15
345 Queen Street
Brisbane QLD 4000

South Australia

Level 11
101 Grenfell Street
Adelaide SA 5000

Victoria

Rialto South Tower
Level 35
525 Collins Street
Melbourne VIC 3000

Western Australia

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