
Perpetual Private Investment Funds

Annual Report
for the year ended 30 June 2023

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

Perpetual Private Investment Funds Annual Report for the year ended 30 June 2023

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Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Private Investment Funds, present their report together with the financial statements of Perpetual Private Investment Funds (the Schemes) for the year ended 30 June 2023 and the auditor's report thereon.

The following are the Schemes included within this report:

Statutory name	Referred to in this document as	ARSN
Perpetual Private Australian Share Fund	"Australian Share Fund"	098 776 026
Perpetual Private Fixed Income Fund	"Fixed Income Fund"	098 776 179
Perpetual Private International Share Fund	"International Share Fund"	098 776 115
Perpetual Private Real Estate Fund	"Real Estate Fund"	098 776 302
Perpetual Private Balanced Fund	"Balanced Fund"	098 775 869
Perpetual Private Diversified Fund	"Diversified Fund"	098 775 690
Perpetual Private Growth Fund	"Growth Fund"	098 775 921

Responsible Entity

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

Directors

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

A Apted (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

A Rozenauers (appointed 9 November 2022)

A Gazal (appointed 9 April 2020, resigned 9 November 2022)

Principal activities

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

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

The Schemes did not have any employees during the year.

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

Directors' report (continued)

Review and results of operations

During the year, the Schemes' assets were invested in accordance with the investment objective and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)	135,243	(72,564)	18,088	(83,021)	451,978	(368,272)	15,035	(44,511)
Class R								
Distributions paid and payable	55,763	152,683	26	94	2,945	40,434	3,401	10,777
Distributions (cents per unit)	9.10	26.92	0.15	0.36	0.70	8.77	1.77	5.79
Class I								
Distributions paid and payable	17,870	38,017	2,630	8,298	19,667	131,995	11,305	32,988
Distributions (cents per unit)	6.74	19.56	0.22	0.73	1.56	11.36	3.50	10.84
	Balanced Fund		Diversified Fund		Growth Fund			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Profit/(loss)	9,906	(9,027)	1,867	(1,930)	5,073	(3,130)		
Distributions paid and payable	13,209	20,650	1,115	2,856	1,299	5,557		
Distributions (cents per unit)	18.45	15.94	5.53	9.75	3.96	17.21		

In June 2023 an IT security incident impacted a unit registry system provided by the Responsible Entity's third-party unit registry provider that resulted in an extended outage of the administration services provided to the Schemes. Subsequent to the incident, the unit registry system was restored in a secure environment and processing of unitholders' applications and redemptions has re-commenced from 21 June 2023.

Directors' report (continued)

Interests in the Schemes

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

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

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect:

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

Likely developments and expected results of operations

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

The results of the Schemes' operations will be affected by a number of factors, including the performance of investment market in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation

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

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

Fees paid to the Responsible Entity and its related parties out of Schemes' properties during the year are disclosed in note 13 to the financial statements.

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

The number of interests in the Schemes held by the Responsible Entity or its related parties as at the end of the financial year are disclosed in note 13 to the financial statements.

Directors' report (continued)

Indemnity and insurance of officers and auditors

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

Rounding of amounts to the nearest thousand dollars

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

Financial statements presentation

The Schemes are entities of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*. In accordance with the legislative instrument, registered schemes with common Responsible Entity (or related Responsible Entities) are permitted to include their financial statements in adjacent columns in a single financial report.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Director

Sydney

20 September 2023



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

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

Perpetual Private Diversified Fund;

Perpetual Private Growth Fund;

Perpetual Private International Share Fund;

Perpetual Private Fixed Income Fund.

Perpetual Private Balanced Fund;

Perpetual Private Real Estate Fund;

Perpetual Private Australian Share Fund;

I declare that, to the best of my knowledge and belief, in relation to the audit of Perpetual WealthFocus Investment Advantage Fund for the financial year ended 30 June 2023 there have been:

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

KPMG

Andrew Reeves

Partner

Sydney

20 September 2023

Statements of comprehensive income

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Investment income									
Dividend/distribution income		39,517	50,302	2,686	9,951	37,480	40,005	28,930	22,586
Interest income		1,758	284	555	17	3,195	89	906	16
Net gains/(losses) on financial instruments at fair value through profit or loss	3	110,689	(101,996)	17,481	(90,260)	440,755	(382,461)	(9,249)	(60,147)
Net foreign exchange gains/(losses)		(56)	(128)	-	-	(301)	8,537	651	318
Other income		630	32	-	-	125	1,046	-	22
Total investment income/(loss)		152,538	(51,506)	20,722	(80,292)	481,254	(332,784)	21,238	(37,205)
Expenses									
Responsible Entity's fees	13	14,974	15,823	2,634	2,729	27,241	28,326	5,696	6,744
Other expenses	4	2,321	5,235	-	-	2,035	7,162	507	562
Total expenses		17,295	21,058	2,634	2,729	29,276	35,488	6,203	7,306
Operating profit/(loss)		135,243	(72,564)	18,088	(83,021)	451,978	(368,272)	15,035	(44,511)
Finance costs									
Distributions to unitholders	5	73,633	190,700	2,656	8,392	22,612	172,429	14,706	43,765
Changes in net assets attributable to unitholders	6	61,610	(263,264)	15,432	(91,413)	429,366	(540,701)	329	(88,276)
Profit/(loss)		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	-

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

Statements of comprehensive income

	Notes	Balanced Fund		Diversified Fund		Growth Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Investment income							
Distribution income		2,014	10,540	490	1,966	1,211	3,794
Interest income		33	2	16	-	25	1
Net gains/(losses) on financial instruments at fair value through profit or loss	3	8,193	(19,092)	1,464	(3,763)	3,945	(6,815)
Total investment income/(loss)		10,240	(8,550)	1,970	(1,797)	5,181	(3,020)
Expenses							
Responsible Entity's fees	13	334	477	103	133	108	110
Total expenses		334	477	103	133	108	110
Profit/(loss)		9,906	(9,027)	1,867	(1,930)	5,073	(3,130)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		9,906	(9,027)	1,867	(1,930)	5,073	(3,130)

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

Balance sheets

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Assets									
Cash and cash equivalents	11(b)	59,105	158,815	26,905	752	117,674	120,374	27,364	40,622
Margin accounts		152	5,923	-	-	-	-	-	-
Financial assets at fair value through profit or loss	7	1,245,163	1,040,686	1,112,816	1,073,339	2,800,016	2,416,126	638,498	614,987
Receivables	9	16,146	6,932	2,614	11,439	33,467	9,734	11,871	11,552
Total assets		1,320,566	1,212,356	1,142,335	1,085,530	2,951,157	2,546,234	677,733	667,161
Liabilities									
Financial liabilities at fair value through profit or loss	8	-	2,734	-	-	1	22	-	-
Distributions payable	5	55,849	171,370	-	580	20,038	151,969	9,687	36,465
Payables	10	32,321	8,790	905	758	26,729	11,853	3,376	2,981
Total liabilities (excluding net assets attributable to unitholders)		88,170	182,894	905	1,338	46,768	163,844	13,063	39,446
Net assets attributable to unitholders - liability	6	1,232,396	1,029,462	1,141,430	1,084,192	2,904,389	2,382,390	664,670	627,715

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

Balance sheets

	Notes	Balanced Fund		Diversified Fund		Growth Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Assets							
Cash and cash equivalents	11(b)	-	3,218	-	200	785	2,475
Financial assets at fair value through profit or loss	7	77,216	141,125	22,554	32,760	48,246	44,220
Receivables	9	4,714	9,331	804	1,641	1,528	4,372
Total assets		81,930	153,674	23,358	34,601	50,559	51,067
Liabilities							
Bank overdraft	11(b)	1,800	-	10	-	-	-
Distributions payable	5	12,561	19,188	985	2,546	1,062	5,134
Payables	10	1,186	2,115	63	12	1,125	2,089
Total liabilities		15,547	21,303	1,058	2,558	2,187	7,223
Net assets attributable to unitholders - equity	6	66,383	132,371	22,300	32,043	48,372	43,844

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

Statements of changes in equity

The following Schemes' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*:

Australian Share Fund
Fixed Income Fund
International Share Fund
Real Estate Fund

As such the Schemes have no equity and no items of changes in equity have been presented for the current or comparative period.

Statements of changes in equity

	Notes	Balanced Fund		Diversified Fund		Growth Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the year	6	132,371	171,897	32,043	37,874	43,844	53,293
Comprehensive income for the year							
Profit/(loss)		9,906	(9,027)	1,867	(1,930)	5,073	(3,130)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		9,906	(9,027)	1,867	(1,930)	5,073	(3,130)
Transactions with unitholders							
Applications	6	8,728	6,851	2,340	996	11,234	7,382
Redemptions	6	(73,933)	(18,565)	(13,545)	(2,641)	(11,578)	(9,010)
Units issued upon reinvestment of distributions	6	2,520	1,865	710	600	1,098	866
Distributions to unitholders	5, 6	(13,209)	(20,650)	(1,115)	(2,856)	(1,299)	(5,557)
Total transactions with unitholders		(75,894)	(30,499)	(11,610)	(3,901)	(545)	(6,319)
Total equity at the end of the year	6	66,383	132,371	22,300	32,043	48,372	43,844

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

Statements of cash flows

	Notes	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities									
Dividends/distributions received		39,889	50,030	2,996	62,256	36,431	40,452	28,293	23,885
Interest received		1,694	192	470	15	2,912	40	853	3
Other income received		2,071	1,484	192	203	2,077	3,090	458	524
Responsible Entity's fees paid		(16,022)	(17,076)	(2,813)	(2,950)	(28,963)	(30,560)	(6,120)	(7,303)
Other expenses paid		(4,346)	(4,527)	-	-	(6,754)	(1,755)	(528)	(580)
Net cash inflow/(outflow) from operating activities	11(a)	23,286	30,103	845	59,524	5,703	11,267	22,956	16,529
Cash flows from investing activities									
Proceeds from sale of investments		703,947	786,760	274,500	51,500	949,868	979,266	258,041	309,872
Payments for purchase of investments		(805,851)	(621,322)	(286,496)	(147,372)	(915,777)	(1,076,823)	(291,210)	(267,703)
Amount received from/(paid to) brokers for margin		5,771	(5,923)	-	-	-	-	-	-
Net cash inflow/(outflow) from investing activities		(96,133)	159,515	(11,996)	(95,872)	34,091	(97,557)	(33,169)	42,169
Cash flows from financing activities									
Proceeds from applications by unitholders		162,995	84,340	244,990	224,252	402,481	452,051	127,717	71,389
Payments for redemptions by unitholders		(150,494)	(126,206)	(204,454)	(157,868)	(324,723)	(192,188)	(99,037)	(113,453)
Distributions paid		(39,364)	(19,375)	(3,232)	(59,046)	(119,281)	(146,936)	(31,639)	(9,781)
Net cash inflow/(outflow) from financing activities		(26,863)	(61,241)	37,304	7,338	(41,523)	112,927	(2,959)	(51,845)
Net increase/(decrease) in cash and cash equivalents									
		(99,710)	128,377	26,153	(29,010)	(1,729)	26,637	(13,172)	6,853
Cash and cash equivalents at the beginning of the year		158,815	30,438	752	29,762	120,374	93,429	40,622	33,650
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	-	(971)	308	(86)	119
Cash and cash equivalents at the end of the year	11(b)	59,105	158,815	26,905	752	117,674	120,374	27,364	40,622

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

Statements of cash flows

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Notes						
Cash flows from operating activities						
Distributions received	9,294	10,204	1,717	2,127	3,612	3,071
Interest received	31	1	15	-	22	1
Other income received	30	35	8	11	7	8
Responsible Entity's fees paid	(377)	(512)	(115)	(142)	(116)	(117)
Net cash inflow/(outflow) from operating activities	8,978	9,728	1,625	1,996	3,525	2,963
11(a)						
Cash flows from investing activities						
Proceeds from sale of investments	88,436	32,350	17,570	4,696	10,145	11,430
Payments for purchase of investments	(18,809)	(18,547)	(6,230)	(3,374)	(9,451)	(10,541)
Net cash inflow/(outflow) from investing activities	69,627	13,803	11,340	1,322	694	889
Cash flows from financing activities						
Proceeds from applications by unitholders	8,756	6,897	2,336	996	11,021	7,382
Payments for redemptions by unitholders	(75,063)	(16,492)	(13,545)	(2,641)	(12,657)	(7,121)
Distributions paid	(17,316)	(12,896)	(1,966)	(1,704)	(4,273)	(2,956)
Net cash inflow/(outflow) from financing activities	(83,623)	(22,491)	(13,175)	(3,349)	(5,909)	(2,695)
Net increase/(decrease) in cash and cash equivalents	(5,018)	1,040	(210)	(31)	(1,690)	1,157
Cash and cash equivalents at the beginning of the year	3,218	2,178	200	231	2,475	1,318
Cash and cash equivalents/(bank overdraft) at the end of the year	(1,800)	3,218	(10)	200	785	2,475
11(b)						

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

1 General information

These financial statements cover Perpetual Private Investment Funds (the Schemes). The Schemes are registered managed investment schemes under the *Corporations Act 2001*. The Schemes are domiciled in Australia.

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 20 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Schemes are for-profit entities for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Schemes' functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 15(d).

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Comparatives

Certain comparative figures have been restated to conform with the financial statement presentation adopted for the current year.

New standards, amendments and interpretations adopted by the Schemes

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the financial statements of the Schemes.

New standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2023 reporting period and have not been early adopted in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Schemes.

(b) Financial instruments

(i) Classification

The Schemes classify their financial instruments based on their business model for managing those investments and their contractual cash flow characteristics. The Schemes' investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes' policy is to evaluate the information about their investments on a fair value basis together with other related financial information.

Derivatives, equity securities and unlisted unit trusts are classified as financial assets at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Schemes' business model's objective. Consequently, the debt securities are classified as financial assets at fair value through profit or loss.

Derivative contracts that have negative values are presented as financial liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

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

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 15(d).

(iv) Offsetting financial instruments

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

(c) Net assets attributable to unitholders

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

The units can be put back to the Schemes at any time for cash based on the redemption price, which represents a proportionate share of the Schemes' net asset value. The carrying amount of these units at the redemption price represents the redemption amount payable at the reporting date if the unitholders exercise their right to put the units back to the Schemes.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where they satisfy the following criteria:

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

The Schemes that issue one class of units satisfy the above criteria and classify their net assets attributable to unitholders as equity.

The Schemes that issue more than one class of units do not meet the criteria as they have different contractual features and classify their net assets attributable to unitholders as financial liability.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

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

(e) Margin accounts

Margin accounts comprise cash held or owed as collateral for derivative transactions. The cash is held by or owed to the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents. For the purpose of the presentation, the cash and cash equivalents in the statements of cash flows for the comparative period has been represented to align with the current year presentation of margin accounts in the balance sheets.

(f) Receivables

Receivables include accrued income, application monies receivable and receivables for securities sold.

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

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

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include accrued expenses, redemption monies owing by the Schemes and payables for securities purchased which are unpaid at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

2 Summary of significant accounting policies (continued)

(h) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Schemes' right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(b).

(i) Expenses

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

(j) Income tax

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

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

(k) Distributions

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income and any other amounts determined by the Responsible Entity to unitholders by cash or reinvestment.

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

(l) Changes in net assets attributable to unitholders

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

2 Summary of significant accounting policies (continued)

(m) Goods and Services Tax

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

(n) Foreign currency translation

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

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

(o) Rounding of amounts

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

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

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	39,368	(268,844)	35,268	(86,769)	352,825	(572,111)	1,606	(101,749)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	71,321	166,848	(17,787)	(3,491)	87,930	189,650	(10,855)	41,602
Net gains/(losses) on financial instruments at fair value through profit or loss	110,689	(101,996)	17,481	(90,260)	440,755	(382,461)	(9,249)	(60,147)

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	(7,999)	(30,759)	(431)	(5,216)	2,133	(10,682)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	16,192	11,667	1,895	1,453	1,812	3,867
Net gains/(losses) on financial instruments at fair value through profit or loss	8,193	(19,092)	1,464	(3,763)	3,945	(6,815)

4 Other expenses

	Australian Share Fund		International Share Fund		Real Estate Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Transaction costs	1,793	1,485	1,943	1,673	507	562
Performance fees	528	3,750	66	5,455	-	-
Sundry expenses	-	-	26	34	-	-
Total	2,321	5,235	2,035	7,162	507	562

5 Distributions to unitholders

The distributions for the year were as follows:

	Australian Share Fund				Fixed Income Fund			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Class R								
Distributions paid - September	2,902	0.45	2,996	0.53	17	0.10	33	0.12
Distributions paid - December	6,418	1.02	8,155	1.46	9	0.05	30	0.11
Distributions paid - March	4,444	0.71	4,032	0.73	-	-	21	0.08
Distributions payable - June	41,999	6.92	137,500	24.20	-	-	10	0.05
	<u>55,763</u>		<u>152,683</u>		<u>26</u>		<u>94</u>	
Class I								
Distributions paid - September	840	0.39	883	0.45	2,039	0.17	2,445	0.22
Distributions paid - December	1,768	0.76	2,142	1.10	591	0.05	2,860	0.25
Distributions paid - March	1,412	0.56	1,122	0.58	-	-	2,423	0.21
Distributions payable - June	13,850	5.03	33,870	17.43	-	-	570	0.05
	<u>17,870</u>		<u>38,017</u>		<u>2,630</u>		<u>8,298</u>	
Total distributions	<u>73,633</u>		<u>190,700</u>		<u>2,656</u>		<u>8,392</u>	

5 Distributions to unitholders (continued)

	International Share Fund				Real Estate Fund			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Class R								
Distributions paid - September	92	0.02	1,109	0.25	479	0.25	422	0.20
Distributions paid - December	-	-	1,713	0.39	73	0.04	99	0.05
Distributions paid - March	-	-	984	0.22	524	0.28	1,190	0.58
Distributions payable - June	2,853	0.68	36,628	7.91	2,325	1.20	9,066	4.96
	<u>2,945</u>		<u>40,434</u>		<u>3,401</u>		<u>10,777</u>	
Class I								
Distributions paid - September	1,490	0.12	4,513	0.41	1,673	0.52	1,400	0.46
Distributions paid - December	890	0.07	7,201	0.64	547	0.16	649	0.21
Distributions paid - March	102	0.01	4,940	0.44	1,723	0.53	3,540	1.16
Distributions payable - June	17,185	1.36	115,341	9.87	7,362	2.29	27,399	9.01
	<u>19,667</u>		<u>131,995</u>		<u>11,305</u>		<u>32,988</u>	
Total distributions	<u>22,612</u>		<u>172,429</u>		<u>14,706</u>		<u>43,765</u>	

5 Distributions to unitholders (continued)

	Balanced Fund				Diversified Fund			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Distributions paid - September	213	0.17	390	0.29	52	0.17	85	0.28
Distributions paid - December	232	0.24	540	0.41	40	0.19	111	0.37
Distributions paid - March	203	0.25	532	0.40	38	0.18	114	0.38
Distributions payable - June	12,561	17.79	19,188	14.84	985	4.99	2,546	8.72
Total distributions	13,209		20,650		1,115		2,856	

	Growth Fund			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Distributions paid - September	62	0.19	123	0.37
Distributions paid - December	80	0.24	181	0.55
Distributions paid - March	95	0.29	119	0.35
Distributions payable - June	1,062	3.24	5,134	15.94
Total distributions	1,299		5,557	

6 Net assets attributable to unitholders

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

	Australian Share Fund				Fixed Income Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Net assets attributable to unitholders - liability								
Class R								
Opening balance	568,148	557,113	832,410	1,023,503	19,656	27,712	18,246	27,893
Applications	24,554	26,192	38,610	48,696	2,054	2,759	1,929	2,669
Redemptions	(87,958)	(53,493)	(136,270)	(98,891)	(4,840)	(11,266)	(4,518)	(10,785)
Units issued upon reinvestment of distributions	101,808	38,336	149,790	71,034	4	451	4	454
Changes in net assets attributable to unitholders	-	-	52,715	(211,932)	-	-	152	(1,985)
Closing balance	606,552	568,148	937,255	832,410	16,874	19,656	15,813	18,246
Class I								
Opening balance	194,295	187,171	197,052	239,080	1,139,256	1,067,662	1,065,946	1,081,436
Applications	117,543	28,150	128,981	36,582	257,907	220,441	244,460	221,303
Redemptions	(36,375)	(21,026)	(39,787)	(27,278)	(210,866)	(148,847)	(200,069)	(147,365)
Changes in net assets attributable to unitholders	-	-	8,895	(51,332)	-	-	15,280	(89,428)
Closing balance	275,463	194,295	295,141	197,052	1,186,297	1,139,256	1,125,617	1,065,946
Total			1,232,396	1,029,462			1,141,430	1,084,192

6 Net assets attributable to unitholders (continued)

	International Share Fund				Real Estate Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Net assets attributable to unitholders - liability								
Class R								
Opening balance	463,196	430,619	592,495	676,705	182,761	226,694	166,003	234,867
Applications	24,998	47,900	34,364	71,298	24,446	9,030	22,902	9,482
Redemptions	(94,528)	(42,678)	(130,823)	(66,859)	(24,533)	(55,831)	(22,847)	(59,081)
Units issued upon reinvestment of distributions	27,568	27,355	35,262	43,030	10,874	2,868	9,845	3,068
Changes in net assets attributable to unitholders	-	-	101,522	(131,679)	-	-	(150)	(22,333)
Closing balance	421,234	463,196	632,820	592,495	193,548	182,761	175,753	166,003
Class I								
Opening balance	1,169,109	1,032,816	1,789,895	1,944,063	304,184	298,635	461,712	517,891
Applications	222,797	202,974	367,945	380,137	67,032	35,194	103,938	64,072
Redemptions	(128,094)	(66,681)	(214,115)	(125,283)	(49,612)	(29,645)	(77,212)	(54,308)
Changes in net assets attributable to unitholders	-	-	327,844	(409,022)	-	-	479	(65,943)
Closing balance	1,263,812	1,169,109	2,271,569	1,789,895	321,604	304,184	488,917	461,712
Total			2,904,389	2,382,390			664,670	627,715

6 Net assets attributable to unitholders (continued)

	Balanced Fund				Diversified Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Net assets attributable to unitholders - equity								
Opening balance	129,261	137,092	132,371	171,897	29,194	30,046	32,043	37,874
Applications	8,222	5,351	8,728	6,851	2,086	766	2,340	996
Redemptions	(69,343)	(14,667)	(73,933)	(18,565)	(12,161)	(2,093)	(13,545)	(2,641)
Units issued upon reinvestment of distributions	2,458	1,485	2,520	1,865	645	475	710	600
Distributions to unitholders	-	-	(13,209)	(20,650)	-	-	(1,115)	(2,856)
Profit/(loss)	-	-	9,906	(9,027)	-	-	1,867	(1,930)
Closing balance	70,598	129,261	66,383	132,371	19,764	29,194	22,300	32,043

	Growth Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Net assets attributable to unitholders - equity				
Opening balance	32,204	32,761	43,844	53,293
Applications	7,860	4,519	11,234	7,382
Redemptions	(8,083)	(5,607)	(11,578)	(9,010)
Units issued upon reinvestment of distributions	805	531	1,098	866
Distributions to unitholders	-	-	(1,299)	(5,557)
Profit/(loss)	-	-	5,073	(3,130)
Closing balance	32,786	32,204	48,372	43,844

6 Net assets attributable to unitholders (continued)

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes or the relevant class of the Schemes and does not extend to a right to the underlying assets of the Schemes. For Schemes that issue a single unit class, each unit has the same right attaching to it as all other units of the Schemes. For Schemes that issue multiple unit classes, each unit in each class of the Schemes has the same right attaching to it as all other units in the same class. All classes of units are exposed to the same underlying pool of assets. The unit classes are generally differentiated by the management fees structure.

Capital risk management

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

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

7 Financial assets at fair value through profit or loss

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives								
Futures	12	-	-	-	-	-	-	-
Foreign currency forward contracts	50	-	-	-	5	1	-	14
Warrants	1	-	-	-	-	-	-	-
Equity securities	1,245,100	1,031,565	-	-	2,800,011	2,416,125	638,498	614,973
Debt securities	-	9,121	-	-	-	-	-	-
Unlisted unit trusts	-	-	1,112,816	1,073,339	-	-	-	-
Total financial assets at fair value through profit or loss	1,245,163	1,040,686	1,112,816	1,073,339	2,800,016	2,416,126	638,498	614,987

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

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted unit trusts	77,216	141,125	22,554	32,760	48,246	44,220
Total financial assets at fair value through profit or loss	77,216	141,125	22,554	32,760	48,246	44,220

8 Financial liabilities at fair value through profit or loss

	Australian Share Fund		International Share Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
Derivatives				
Futures	-	210	-	-
Options	-	2,524	-	-
Foreign currency forward contracts	-	-	1	22
Total financial liabilities at fair value through profit or loss	-	2,734	1	22

9 Receivables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividends/distributions receivable	4,015	4,220	-	310	3,047	2,837	6,292	5,405
Withholding tax receivable	7	174	-	-	2,448	1,609	221	471
Interest receivable	162	98	87	2	333	50	66	13
Applications receivable	5,883	1,287	2,461	1,062	2,153	2,325	1,687	2,564
Receivables for securities sold	5,640	534	-	10,000	24,786	2,254	3,461	2,935
Other receivables	439	619	66	65	700	659	144	164
Total receivables	16,146	6,932	2,614	11,439	33,467	9,734	11,871	11,552

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions receivable	899	8,179	212	1,439	668	3,069
Interest receivable	3	1	1	-	3	-
Applications receivable	1	29	4	-	213	-
Receivables for securities sold	3,805	1,110	585	200	640	1,300
Other receivables	6	12	2	2	4	3
Total receivables	4,714	9,331	804	1,641	1,528	4,372

10 Payables

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	1,361	1,314	237	223	2,569	2,298	498	505
Performance fees payable	538	2,397	-	-	1,760	6,479	-	-
Redemptions payable	25,675	112	668	535	20,338	123	1,031	9
Payables for securities purchased	4,747	4,967	-	-	2,062	2,953	1,847	2,467
Total payables	32,321	8,790	905	758	26,729	11,853	3,376	2,981

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	23	42	8	12	10	10
Redemptions payable	943	2,073	-	-	810	1,889
Payables for securities purchased	220	-	55	-	305	190
Total payables	1,186	2,115	63	12	1,125	2,089

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities								
Operating profit/(loss)	135,243	(72,564)	18,088	(83,021)	451,978	(368,272)	15,035	(44,511)
(Increase)/decrease in dividends/distributions receivable	205	(234)	310	52,305	(210)	1,105	(887)	1,380
(Increase)/decrease in withholding tax receivable	167	(38)	-	-	(839)	(658)	250	(81)
(Increase)/decrease in interest receivable	(64)	(92)	(85)	(2)	(283)	(49)	(53)	(13)
(Increase)/decrease in other receivables	180	(86)	(1)	3	(41)	(29)	20	(9)
Increase/(decrease) in payables	(1,812)	993	14	(21)	(4,448)	5,246	(7)	(66)
Net (gains)/losses on financial instruments at fair value through profit or loss	(110,689)	101,996	(17,481)	90,260	(440,755)	382,461	9,249	60,147
Net foreign exchange (gains)/losses	56	128	-	-	301	(8,537)	(651)	(318)
Net cash inflow/(outflow) from operating activities	23,286	30,103	845	59,524	5,703	11,267	22,956	16,529
(b) Components of cash and cash equivalents								
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:								
Cash at bank	59,105	158,815	26,905	752	117,674	120,374	27,364	40,622
Total cash and cash equivalents	59,105	158,815	26,905	752	117,674	120,374	27,364	40,622
(c) Non-cash financing activities								
Distribution payments satisfied by the issue of units under the distribution reinvestment plans	149,790	71,034	4	454	35,262	43,030	9,845	3,068

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

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss)	9,906	(9,027)	1,867	(1,930)	5,073	(3,130)
(Increase)/decrease in distributions receivable	7,280	(336)	1,227	161	2,401	(723)
(Increase)/decrease in interest receivable	(2)	(1)	(1)	-	(3)	-
(Increase)/decrease in other receivables	6	-	-	1	(1)	-
Increase/(decrease) in payables	(19)	-	(4)	1	-	1
Net (gains)/losses on financial instruments at fair value through profit or loss	(8,193)	19,092	(1,464)	3,763	(3,945)	6,815
Net cash inflow/(outflow) from operating activities	8,978	9,728	1,625	1,996	3,525	2,963
(b) Components of cash and cash equivalents						
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:						
Cash at bank	-	3,218	-	200	785	2,475
Bank overdraft	(1,800)	-	(10)	-	-	-
Total cash and cash equivalents/(bank overdraft)	(1,800)	3,218	(10)	200	785	2,475
(c) Non-cash financing activities						
Distribution payments satisfied by the issue of units under the distribution reinvestment plans	2,520	1,865	710	600	1,098	866

12 Remuneration of auditors

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:								
Audit of financial statements	15,035	14,456	8,528	8,200	15,035	14,456	15,035	14,456
Other regulatory assurance services	5,187	5,068	4,046	3,897	5,187	5,068	5,187	5,068
Total	20,222	19,524	12,574	12,097	20,222	19,524	20,222	19,524

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:						
Audit of financial statements	11,076	10,650	7,912	7,607	11,076	10,650
Other regulatory assurance services	4,132	3,982	4,025	3,877	4,132	3,982
Total	15,208	14,632	11,937	11,484	15,208	14,632

Audit fees were paid or payable by the Responsible Entity.

13 Related party transactions

Responsible Entity

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

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

Key management personnel

(a) Directors

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

A Apted (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

A Rozenauers (appointed 9 November 2022)

A Gazal (appointed 9 April 2020, resigned 9 November 2022)

(b) Other key management personnel

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

Key management personnel unitholdings

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

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2023 (2022: Nil).

13 Related party transactions (continued)

Transactions with key management personnel

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

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

Responsible Entity's fees and other transactions

Under the terms of the Schemes' Constitutions (as amended), the Responsible Entity is entitled to receive management fees. The Schemes incurred management fees (inclusive of GST and net of RITC) at the fee rates disclosed in the table below. The management fees are calculated by reference to the net asset value of the relevant unit classes of the Schemes offering multiple units classes or the net asset values of the Schemes offering a single unit class. Where the Schemes invest into other schemes, the Responsible Entity's Fees are calculated after rebating management fees charged in the underlying schemes.

Schemes	Responsible Entity's fees % p.a.
Australian Share Fund - Class R	1.28
Australian Share Fund - Class I	0.90
Fixed Income Fund - Class R	0.99
Fixed Income Fund - Class I	0.47
International Share Fund - Class R	1.30
International Share Fund - Class I	0.93
Real Estate Fund - Class R	1.25
Real Estate Fund - Class I	0.70
Balanced Fund	1.13
Diversified Fund	1.07
Growth Fund	1.16

13 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	14,974,280	15,822,523	2,634,303	2,729,140	27,241,251	28,326,277	5,696,235	6,744,036
Responsible Entity's fees payable	1,361,257	1,313,874	236,526	223,379	2,568,693	2,297,992	497,774	505,355
	Balanced Fund		Diversified Fund		Growth Fund			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022		
	\$	\$	\$	\$	\$	\$		
Responsible Entity's fees	334,215	476,991	103,035	133,137	107,790	109,853		
Responsible Entity's fees payable	23,045	42,153	7,685	11,714	9,817	10,318		

13 Related party transactions (continued)

Related party unitholdings

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

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Australian Share Fund										
Unitholders - Class R										
ACRA Diversified Fund	14,090	2.3	6,910	2,434	1,257	9,614	1.7	1,767	1,114	2,574
Perpetual Charitable and Community Investor Fund	289,981	47.8	48,555	26,453	26,695	267,879	47.1	24,417	21,100	72,021
Perpetual Charitable Endowment Fund	97,684	16.1	26,409	13,311	8,990	84,586	14.9	13,869	6,274	22,657
Perpetual Private Balanced Fund	10,513	1.7	4,276	14,283	1,049	20,520	3.6	1,994	3,761	5,521
Perpetual Private Conservative Fund	-	-	59	416	-	357	0.1	162	397	102
Perpetual Private Diversified Fund	2,492	0.4	904	1,829	233	3,417	0.6	285	489	920
Perpetual Private Growth Fund	7,819	1.3	1,961	1,636	710	7,494	1.3	1,373	1,585	2,021
Perpetual's Select Superannuation Fund	176,308	29.1	35,654	26,149	16,127	166,803	29.4	19,819	17,267	44,845
Unitholder - Class I										
Perpetual Super Wrap	116,569	42.3	54,387	12,160	7,448	74,342	38.3	10,785	6,883	14,558

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
Fixed Income Fund	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Unitholders - Class R										
Perpetual Super Wrap	-	-	-	-	-	-	-	60	509	1
Perpetual's Select Superannuation Fund	-	-	-	-	-	-	-	787	7,721	22
Unitholder - Class I										
Perpetual Super Wrap	315,021	26.6	67,306	50,298	655	298,013	26.2	51,698	17,772	2,121

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2023 '000	Interest held 30 June 2023 %	Number of units acquired 30 June 2023 '000	Number of units disposed 30 June 2023 '000	Distributions paid/payable 30 June 2023 \$'000	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000
International Share Fund										
Unitholders - Class R										
ACRA Diversified Fund	15,040	3.6	6,174	3,365	104	12,231	2.6	2,819	1,060	1,061
Perpetual Charitable and Community Investor Fund	65,216	15.5	11,452	13,434	456	67,198	14.5	15,415	4,863	5,870
Perpetual Charitable Endowment Fund	23,032	5.5	4,613	3,353	161	21,772	4.7	7,625	2,774	1,894
Perpetual Private Balanced Fund	17,572	4.2	2,907	22,008	126	36,673	7.9	5,014	7,613	3,207
Perpetual Private Conservative Fund	-	-	44	755	-	711	0.2	295	684	65
Perpetual Private Diversified Fund	4,046	1.0	1,177	3,291	29	6,160	1.3	754	811	539
Perpetual Private Growth Fund	12,972	3.1	2,156	2,846	90	13,662	2.9	3,020	2,812	1,196
Perpetual Super Wrap	-	-	-	-	-	-	-	15	315	3
Perpetual's Select Superannuation Fund	265,992	63.2	23,417	40,846	1,859	283,421	61.2	36,069	20,641	24,727
Unitholder - Class I										
Perpetual Super Wrap	303,979	24.1	66,895	40,421	4,712	277,505	23.7	45,421	10,180	31,308

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
Real Estate Fund										
Unitholders - Class R										
ACRA Diversified Fund	9,528	4.9	4,761	595	160	5,362	2.9	1,087	1,071	307
Perpetual Charitable and Community Investor Fund	79,184	40.9	11,216	1,622	1,373	69,590	38.1	1,080	14,306	4,080
Perpetual Charitable Endowment Fund	26,009	13.4	5,572	2,379	458	22,816	12.5	4,128	3,409	1,324
Perpetual Private Balanced Fund	4,325	2.2	1,294	3,094	79	6,125	3.4	112	3,202	364
Perpetual Private Conservative Fund	-	-	9	171	-	162	0.1	19	221	11
Perpetual Private Diversified Fund	1,013	0.5	307	1,736	22	2,442	1.3	54	805	144
Perpetual Private Growth Fund	3,251	1.7	883	1,129	58	3,497	1.9	433	1,381	206
Perpetual Super Wrap	-	-	-	-	-	-	-	-	74	1
Perpetual's Select Superannuation Fund	63,672	32.9	11,070	13,196	1,135	65,798	36.0	4,954	30,252	3,937
Unitholder - Class I										
Perpetual Super Wrap	88,322	27.5	20,317	15,935	3,094	83,940	27.6	10,066	6,339	9,094

13 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held 30 June 2023 '000	Interest held 30 June 2023 %	Number of units acquired 30 June 2023 '000	Number of units disposed 30 June 2023 '000	Distributions paid/payable 30 June 2023 \$'000	Number of units held 30 June 2022 '000	Interest held 30 June 2022 %	Number of units acquired 30 June 2022 '000	Number of units disposed 30 June 2022 '000	Distributions paid/payable 30 June 2022 \$'000
Balanced Fund										
Unitholder										
Perpetual Super Wrap	-	-	-	-	-	-	-	135	3,050	27
Diversified Fund										
Unitholder										
Perpetual Super Wrap	-	-	-	-	-	-	-	9	401	4
Growth Fund										
Unitholder										
Perpetual Super Wrap	-	-	-	-	-	-	-	1,055	2,279	22

13 Related party transactions (continued)

Investments

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

	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
Fixed Income Fund	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Private Australian Fixed Income Fund*	471,525	439,239	73.5	31,922	272,330	2,686	711,933	651,033	72.7	100,921	26,706	9,855
Perpetual Private Global Fixed Income Fund**	764,238	673,577	76.6	294,627	11,483	-	481,094	422,306	74.7	51,613	23,796	96

* Formerly known as Perpetual Private Credit Pooled Fund.

** Formerly known as Perpetual Private Duration Fixed Income Fund.

13 Related party transactions (continued)

Investments (continued)

Balanced Fund	Number of	Fair value	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	of	held	units	units	received/ receivable	units held	of	held	units	units	received/ receivable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	5,342	4,869	1.2	448	5,710	406	10,604	9,666	2.5	1,574	636	658
Perpetual Growth Alternatives Pool Fund	6,371	9,769	1.1	188	5,703	291	11,886	17,670	2.1	928	3,403	473
Perpetual Private Australian Fixed Income Fund*	6,563	6,114	1.0	1,647	16,768	63	21,684	19,828	2.2	1,947	2,929	314
Perpetual Private Australian Share Fund	10,513	16,245	1.7	4,276	14,283	1,049	20,520	30,064	3.6	1,994	3,761	5,521
Perpetual Private Global Fixed Income Fund**	11,224	9,893	1.1	6,230	8,020	-	13,014	11,424	2.0	1,861	2,342	3
Perpetual Private International Share Fund	17,572	26,398	4.2	2,907	22,008	126	36,673	46,910	7.9	5,014	7,613	3,207
Perpetual Private Real Estate Fund	4,325	3,928	2.2	1,294	3,094	79	6,125	5,563	3.4	112	3,202	364

* Formerly known as Perpetual Private Credit Pooled Fund.

** Formerly known as Perpetual Private Duration Fixed Income Fund.

13 Related party transactions (continued)

Investments (continued)

Diversified Fund	Number of	Fair value	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	of	held	units	units	received/ receivable	units held	of	held	units	units	received/ receivable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Investments												
Perpetual Defensive Alternatives Pool Fund	1,560	1,422	0.4	110	854	99	2,304	2,101	0.5	237	-	144
Perpetual Growth Alternatives Pool Fund	1,858	2,850	0.3	63	943	82	2,738	4,071	0.5	196	523	108
Perpetual Private Australian Fixed Income Fund*	3,149	2,934	0.5	460	5,036	25	7,725	7,064	0.8	614	561	110
Perpetual Private Australian Share Fund	2,492	3,850	0.4	904	1,829	233	3,417	5,006	0.6	285	489	920
Perpetual Private Global Fixed Income Fund**	5,106	4,500	0.5	2,788	2,718	-	5,036	4,421	0.8	450	469	1
Perpetual Private International Share Fund	4,046	6,078	1.0	1,177	3,291	29	6,160	7,879	1.3	754	811	539
Perpetual Private Real Estate Fund	1,013	920	0.5	307	1,736	22	2,442	2,218	1.3	54	805	144

* Formerly known as Perpetual Private Credit Pooled Fund.

** Formerly known as Perpetual Private Duration Fixed Income Fund.

13 Related party transactions (continued)

Investments (continued)

	Number of	Fair value	Interest	Number of	Number of	Distributions	Number of	Fair value	Interest	Number of	Number of	Distributions
	units held	of	held	units	units	received/ receivable	units held	of	held	units	units	received/ receivable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
Growth Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	2,227	2,030	0.5	456	644	137	2,415	2,202	0.6	730	-	136
Perpetual Growth Alternatives Pool Fund	4,646	7,125	0.8	603	141	206	4,184	6,220	0.7	608	1,504	189
Perpetual Private Australian Fixed Income Fund*	1,984	1,849	0.3	248	1,278	10	3,014	2,756	0.3	693	803	46
Perpetual Private Australian Share Fund	7,819	12,082	1.3	1,961	1,636	710	7,494	10,980	1.3	1,373	1,585	2,021
Perpetual Private Global Fixed Income Fund**	3,088	2,721	0.3	1,520	39	-	1,607	1,410	0.2	734	1,087	-
Perpetual Private International Share Fund	12,972	19,487	3.1	2,156	2,846	90	13,662	17,476	2.9	3,020	2,812	1,196
Perpetual Private Real Estate Fund	3,251	2,952	1.7	883	1,129	58	3,497	3,176	1.9	433	1,381	206

* Formerly known as Perpetual Private Credit Pooled Fund.

** Formerly known as Perpetual Private Duration Fixed Income Fund.

14 Structured entities

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

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

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

The Schemes' exposure to structured entities is disclosed in note 7. The fair value of these entities is included in financial assets at fair value through profit or loss in the balance sheets.

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

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

Unconsolidated subsidiaries

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

The following unconsolidated structured entities are considered to be the subsidiaries of the Fixed Income Fund at the reporting date:

	Fair value		Ownership interest	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 %	30 June 2022 %
Perpetual Private Australian Fixed Income Fund*	439,239	651,033	73.5	72.7
Perpetual Private Global Fixed Income Fund**	673,577	422,306	76.6	74.7

* Formerly known as Perpetual Private Credit Pooled Fund.

** Formerly known as Perpetual Private Duration Fixed Income Fund.

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

15 Financial risk management

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

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

All investment securities present a risk of loss of capital. The maximum loss of capital on investment securities is generally limited to the fair values of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

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

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

(a) Market risk

(i) Currency risk

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

The Schemes hold foreign currency forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates. The Schemes do not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

15 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

International Share Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme holds foreign currency forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date. The Scheme does not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

Real Estate Fund

The Scheme has significant investments that are denominated in foreign currency. The Scheme does not hold any derivatives to protect the valuation of financial assets and liabilities against variations in the exchange rates at the reporting date.

The following table summarises the Schemes' exposure to currency risk (net of foreign currency exposure arising from derivatives where applicable):

	International Share Fund		Real Estate Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
United States Dollar	1,911,404	1,580,688	225,834	221,646
British Pound	181,598	146,439	22,101	28,613
Euro	276,653	273,497	17,425	23,393
Hong Kong Dollar	113,773	128,287	20,464	13,503
Japanese Yen	169,926	134,403	21,194	21,990
Other currencies	269,868	229,786	6,257	5,780
Total foreign currency exposure	2,923,222	2,493,100	313,275	314,925

The table presented in note 15(a)(iv) summarises sensitivity analysis to currency risk. This analysis measures currency risk from the weakening Australian dollar against other currencies using a positive sensitivity rate and the strengthening of the Australian dollar against other currencies using a negative sensitivity rate.

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

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

	Australian Share Fund							
	30 June 2023				30 June 2022			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	59,105	-	-	59,105	158,815	-	-	158,815
Margin accounts	152	-	-	152	5,923	-	-	5,923
Debt securities	-	-	-	-	9,121	-	-	9,121
	Fixed Income Fund							
	30 June 2023				30 June 2022			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	26,905	-	-	26,905	752	-	-	752

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	International Share Fund							
	30 June 2023				30 June 2022			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	117,674	-	-	117,674	120,374	-	-	120,374
	Real Estate Fund							
	30 June 2023				30 June 2022			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	27,364	-	-	27,364	40,622	-	-	40,622
	Balanced Fund							
	30 June 2023				30 June 2022			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	-	-	-	-	3,218	-	-	3,218
Financial liabilities								
Bank overdraft	1,800	-	-	1,800	-	-	-	-

15 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Diversified Fund							
	30 June 2023			Total	30 June 2022			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	-	-	-	-	200	-	-	200
Financial liabilities								
Bank overdraft	10	-	-	10	-	-	-	-

	Growth Fund							
	30 June 2023			Total	30 June 2022			Total
	Floating interest rate	Fixed interest rate	Non-interest bearing		Floating interest rate	Fixed interest rate	Non-interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	785	-	-	785	2,475	-	-	2,475

The table presented in note 15(a)(iv) summarises sensitivity analysis to interest rate risk. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

15 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

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

The Schemes are exposed to price risk predominantly through their investments for which prices in the future are uncertain. The price risk arising from investments in debt securities is impacted by movements in interest rates and is reflected in note 15(a)(ii).

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

	Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives	13	(2,734)	-	-	-	-	-	-
Equities	1,245,100	1,031,565	-	-	2,800,011	2,416,125	638,498	614,973
Units in fixed income trusts	-	-	1,112,816	1,073,339	-	-	-	-

	Balanced Fund		Diversified Fund		Growth Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Units in fixed income trusts	16,007	31,252	7,434	11,485	4,570	4,166
Units in equity and other trusts	61,209	109,873	15,120	21,275	43,676	40,054

The table presented in note 15(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

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

	Sensitivity rates	Impact on operating profit/net assets attributable to unitholders			
		International Share Fund		Real Estate Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Currency risk					
USD	+5%	(95,570)	-	(11,292)	-
	-5%	95,570	-	11,292	-
	+10%	-	(158,069)	-	(22,165)
	-10%	-	158,069	-	22,165
GBP	+5%	(9,080)	-	(1,105)	-
	-5%	9,080	-	1,105	-
	+8%	-	(11,715)	-	(2,289)
	-8%	-	11,715	-	2,289
EUR	+5%	(13,833)	-	(871)	-
	-5%	13,833	-	871	-
	+8%	-	(21,880)	-	(1,871)
	-8%	-	21,880	-	1,871
HKD	+5%	(5,689)	-	(1,023)	-
	-5%	5,689	-	1,023	-
	+10%	-	(12,829)	-	(1,350)
	-10%	-	12,829	-	1,350
JPY	+5%	(8,496)	-	(1,060)	-
	-5%	8,496	-	1,060	-
	+10%	-	(13,440)	-	(2,199)
	-10%	-	13,440	-	2,199

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

		Impact on operating profit/net assets attributable to unitholders							
		Australian Share Fund		Fixed Income Fund		International Share Fund		Real Estate Fund	
Sensitivity rates		30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate risk	+1.00%	593	1,739	269	8	1,177	1,204	274	432
	-1.00%	(593)	(1,739)	(269)	(8)	(1,177)	(1,204)	(274)	(432)
Price risk									
Equities and equity related securities*	+10%	124,688	110,905	-	-	280,001	241,613	63,850	61,497
	-10%	(124,688)	(110,905)	-	-	(280,001)	(241,613)	(63,850)	(61,497)
Units in fixed income trusts	+5%	-	-	55,641	53,667	-	-	-	-
	-5%	-	-	(55,641)	(53,667)	-	-	-	-

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

		Impact on profit/net assets attributable to unitholders					
		Balanced Fund		Diversified Fund		Growth Fund	
Sensitivity rates		30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest rate risk	+1.00%	(18)	23	-	4	8	17
	-1.00%	18	(23)	-	(4)	(8)	(17)
Price risk							
Units in fixed income trusts	+5%	800	1,563	372	574	229	208
	-5%	(800)	(1,563)	(372)	(574)	(229)	(208)
Units in equity and other trusts	+10%	6,121	10,987	1,512	2,128	4,368	4,005
	-10%	(6,121)	(10,987)	(1,512)	(2,128)	(4,368)	(4,005)

15 Financial risk management (continued)

(b) Credit risk

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

The Schemes determine credit risk and measure expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be low, as a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes.

(i) *Derivative financial instruments*

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

(ii) *Cash and cash equivalents*

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high grade credit rating.

(iii) *Receivables for securities sold*

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

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

(c) Liquidity risk

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

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

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

15 Financial risk management (continued)

(c) Liquidity risk (continued)

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

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

In order to manage the Schemes' overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Schemes' investment criteria, including the assessment of saleability in different market conditions. The Schemes' investment strategy generally defines a minimum liquidity level for the Schemes which is monitored regularly.

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

	Australian Share Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000	At call \$'000	less than 6 months \$'000	6-12 months \$'000	more than 12 months \$'000	\$'000
Non-derivative financial liabilities										
Distributions payable	55,849	-	55,849	-	-	171,370	-	171,370	-	-
Payables	32,321	-	32,321	-	-	8,790	-	8,790	-	-
Net assets attributable to unitholders - liability	<u>1,232,396</u>	<u>1,232,396</u>	-	-	-	<u>1,029,462</u>	<u>1,029,462</u>	-	-	-
Total	<u>1,320,566</u>	<u>1,232,396</u>	<u>88,170</u>	-	-	<u>1,209,622</u>	<u>1,029,462</u>	<u>180,160</u>	-	-
Derivative financial liabilities										
Futures	-	-	-	-	-	210	-	210	-	-
Options	-	-	-	-	-	2,524	-	2,424	100	-
Foreign currency forward contracts	-	-	-	-	-	-	-	-	-	-
Outflow	-	-	4	-	-	-	-	-	-	-
Inflow	-	-	(4)	-	-	-	-	-	-	-
Total	-	-	-	-	-	<u>2,734</u>	-	<u>2,634</u>	<u>100</u>	-

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Fixed Income Fund											
	Carrying amount	30 June 2023 Contractual cash flows					Carrying amount	30 June 2022 Contractual cash flows				
		At call	less than 6 months	6-12 months	more than 12 months	At call		less than 6 months	6-12 months	more than 12 months		
		\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities												
Distributions payable	-	-	-	-	-	580	-	580	-	-		
Payables	905	-	905	-	-	758	-	758	-	-		
Net assets attributable to unitholders - liability	<u>1,141,430</u>	<u>1,141,430</u>	-	-	-	<u>1,084,192</u>	<u>1,084,192</u>	-	-	-		
Total	<u>1,142,335</u>	<u>1,141,430</u>	<u>905</u>	-	-	<u>1,085,530</u>	<u>1,084,192</u>	<u>1,338</u>	-	-		
	International Share Fund											
	Carrying amount	30 June 2023 Contractual cash flows					Carrying amount	30 June 2022 Contractual cash flows				
		At call	less than 6 months	6-12 months	more than 12 months	At call		less than 6 months	6-12 months	more than 12 months		
		\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities												
Distributions payable	20,038	-	20,038	-	-	151,969	-	151,969	-	-		
Payables	26,729	-	26,729	-	-	11,853	-	11,853	-	-		
Net assets attributable to unitholders - liability	<u>2,904,389</u>	<u>2,904,389</u>	-	-	-	<u>2,382,390</u>	<u>2,382,390</u>	-	-	-		
Total	<u>2,951,156</u>	<u>2,904,389</u>	<u>46,767</u>	-	-	<u>2,546,212</u>	<u>2,382,390</u>	<u>163,822</u>	-	-		
Derivative financial liabilities												
Foreign currency forward contracts	1					22						
Outflow	-	-	1,420	-	-	-	-	3,734	-	-		
Inflow	-	-	(1,419)	-	-	-	-	(3,712)	-	-		
Total	<u>1</u>	-	<u>1</u>	-	-	<u>22</u>	-	<u>22</u>	-	-		

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Real Estate Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	9,687	-	9,687	-	-	36,465	-	36,465	-	-
Payables	3,376	-	3,376	-	-	2,981	-	2,981	-	-
Net assets attributable to unitholders - liability	<u>664,670</u>	<u>664,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,715</u>	<u>627,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>677,733</u>	<u>664,670</u>	<u>13,063</u>	<u>-</u>	<u>-</u>	<u>667,161</u>	<u>627,715</u>	<u>39,446</u>	<u>-</u>	<u>-</u>
	Balanced Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Bank overdraft	1,800	1,800	-	-	-	-	-	-	-	-
Distributions payable	12,561	-	12,561	-	-	19,188	-	19,188	-	-
Payables	1,186	-	1,186	-	-	2,115	-	2,115	-	-
Total	<u>15,547</u>	<u>1,800</u>	<u>13,747</u>	<u>-</u>	<u>-</u>	<u>21,303</u>	<u>-</u>	<u>21,303</u>	<u>-</u>	<u>-</u>

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	Diversified Fund									
	Carrying amount	30 June 2023 Contractual cash flows				Carrying amount	30 June 2022 Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Bank overdraft	10	10	-	-	-	-	-	-	-	-
Distributions payable	985	-	985	-	-	2,546	-	2,546	-	-
Payables	63	-	63	-	-	12	-	12	-	-
Total	1,058	10	1,048	-	-	2,558	-	2,558	-	-
	Growth Fund									
	Carrying amount	30 June 2023 Contractual cash flows				Carrying amount	30 June 2022 Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	1,062	-	1,062	-	-	5,134	-	5,134	-	-
Payables	1,125	-	1,125	-	-	2,089	-	2,089	-	-
Total	2,187	-	2,187	-	-	7,223	-	7,223	-	-

15 Financial risk management (continued)

(d) Fair value measurement

The Schemes classify fair value measurement of their financial assets and liabilities by level of the following fair value hierarchy:

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

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Equity securities and exchange traded derivatives are valued at the last traded price. For the majority of these financial instruments, information provided by the independent pricing services is relied upon for valuation.

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

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

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

Debt securities are generally valued using broker quotes. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Management monitored credit spreads closely and conducted regular review to ensure any estimates and assumptions used in the valuation model remained appropriate.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

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

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

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Schemes may make adjustments to the value based on the considerations such as: liquidity of the unlisted unit trust or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

With the exception for the International Share Fund, the Schemes did not hold any financial instruments with fair value measurements using significant unobservable inputs (level 3) at 30 June 2023 and 30 June 2022.

International Share Fund

The Scheme's level 3 assets include listed equity securities that are impacted by trading restrictions due to sanctions imposed by international governments resulting from the ongoing geopolitical events. These securities currently cannot be liquidated on the exchange due to these restrictions. The valuation of these securities is based on the most recently observable price at the reporting dates.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements

The following tables present the Schemes' financial assets and liabilities by fair value hierarchy levels:

	Australian Share Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Futures	12	-	-	12	-	-	-	-
Foreign currency forward contracts	-	50	-	50	-	-	-	-
Warrants	1	-	-	1	-	-	-	-
Equity securities	1,244,227	873	-	1,245,100	1,029,901	1,664	-	1,031,565
Debt securities	-	-	-	-	9,121	-	-	9,121
Total	1,244,240	923	-	1,245,163	1,039,022	1,664	-	1,040,686
Financial liabilities at fair value through profit or loss								
Derivatives								
Futures	-	-	-	-	210	-	-	210
Options	-	-	-	-	2,524	-	-	2,524
Total	-	-	-	-	2,734	-	-	2,734
Fixed Income Fund								
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	1,112,816	-	1,112,816	-	1,073,339	-	1,073,339
Total	-	1,112,816	-	1,112,816	-	1,073,339	-	1,073,339

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements (continued)

	International Share Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	5	-	5	-	1	-	1
Equity securities	<u>2,796,880</u>	<u>-</u>	<u>3,131</u>	<u>2,800,011</u>	<u>2,412,689</u>	<u>-</u>	<u>3,436</u>	<u>2,416,125</u>
Total	<u>2,796,880</u>	<u>5</u>	<u>3,131</u>	<u>2,800,016</u>	<u>2,412,689</u>	<u>1</u>	<u>3,436</u>	<u>2,416,126</u>
Financial liabilities at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	1	-	1	-	22	-	22
Total	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>22</u>
Real Estate Fund								
	30 June 2023				30 June 2022			
Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Financial assets at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	-	-	-	-	14	-	14
Equity securities	<u>638,492</u>	<u>6</u>	<u>-</u>	<u>638,498</u>	<u>614,973</u>	<u>-</u>	<u>-</u>	<u>614,973</u>
Total	<u>638,492</u>	<u>6</u>	<u>-</u>	<u>638,498</u>	<u>614,973</u>	<u>14</u>	<u>-</u>	<u>614,987</u>

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements (continued)

	Balanced Fund							
	30 June 2023			Total	30 June 2022			Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	77,216	-	77,216	-	141,125	-	141,125
Total	-	77,216	-	77,216	-	141,125	-	141,125

	Diversified Fund							
	30 June 2023			Total	30 June 2022			Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	22,554	-	22,554	-	32,760	-	32,760
Total	-	22,554	-	22,554	-	32,760	-	32,760

	Growth Fund							
	30 June 2023			Total	30 June 2022			Total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	48,246	-	48,246	-	44,220	-	44,220
Total	-	48,246	-	48,246	-	44,220	-	44,220

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels

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

The following tables present the transfers between levels as at 30 June 2023 and 30 June 2022:

	International Share Fund					
	30 June 2023			30 June 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfers between levels 2 and 3:						
Equity securities	-	-	-	-	(3,436)	3,436

The transfers from level 2 to level 3 were related to listed equity securities with the trading restrictions imposed due to the ongoing geopolitical events.

	Balanced Fund					
	30 June 2023			30 June 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfers between levels 1 and 2:						
Unlisted unit trusts	-	-	-	(82,537)	82,537	-

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Transfers between levels (continued)

	Diversified Fund					
	30 June 2023			30 June 2022		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	-	-	-	(15,104)	15,104	-

	Growth Fund					
	30 June 2023			30 June 2022		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2: Unlisted unit trusts	-	-	-	(31,633)	31,633	-

The transfers from level 1 to level 2 for the unlisted unit trusts were due to the change in the Schemes' assessment of the fair value hierarchy levels.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

International Share Fund

The following table presents the movement in level 3 instruments for the years ended 30 June 2023 and 30 June 2022.

	30 June 2023 Equity securities \$'000	30 June 2022 Equity securities \$'000
Opening balance	3,436	-
Transfers into level 3	-	3,436
Gains/(losses) recognised in profit or loss	(305)	-
Closing balance	<u>3,131</u>	<u>3,436</u>
Total unrealised gains/(losses) recognised in profit or loss for financial instruments held at the reporting date	<u>(305)</u>	<u>-</u>

Australian Share Fund

The Scheme received the final distribution of \$51,042 from equity securities that were written off in prior years due to liquidation and ongoing litigation. The Scheme has no holdings in these securities at 30 June 2023.

Real Estate Fund

The Scheme received the final distribution of \$104,725 from equity securities that were written off in prior years due to liquidation. The Scheme has no holdings in these securities as at 30 June 2023.

16 Offsetting financial assets and financial liabilities

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

	30 June 2023					30 June 2022				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
Australian Share Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Margin accounts	152	-	152	-	152	5,923	-	5,923	(2,734)	3,189
Derivatives	63	-	63	-	63	-	-	-	-	-
Total	215	-	215	-	215	5,923	-	5,923	(2,734)	3,189
Financial liabilities										
Derivatives	-	-	-	-	-	(2,734)	-	(2,734)	2,734	-
Total	-	-	-	-	-	(2,734)	-	(2,734)	2,734	-

16 Offsetting financial assets and financial liabilities (continued)

	30 June 2023					30 June 2022				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
International Share Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Derivatives	5	-	5	(1)	4	1	-	1	(1)	-
Total	5	-	5	(1)	4	1	-	1	(1)	-
Financial liabilities										
Derivatives	(1)	-	(1)	1	-	(22)	-	(22)	1	(21)
Total	(1)	-	(1)	1	-	(22)	-	(22)	1	(21)
	30 June 2023					30 June 2022				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
Real Estate Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Derivatives	-	-	-	-	-	14	-	14	-	14
Total	-	-	-	-	-	14	-	14	-	14

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

16 Offsetting financial assets and financial liabilities (continued)

Master netting arrangement – not currently enforceable

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

17 Derivative financial instruments

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

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

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

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

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

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

(a) Futures

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

17 Derivative financial instruments (continued)

(b) Options

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

(c) Foreign currency forward contracts

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

(d) Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period.

Risk exposures and fair value measurements

Information about the Schemes' exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

18 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have an impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2023 or on the results and cash flows of the Schemes for the year ended on that date.

19 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

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

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

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

- (a) the financial statements and notes, set out on page 7 to 72, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2023 and of their performances for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

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



Director

Sydney
20 September 2023



Independent Auditor's Report

To the respective unitholders of the following Schemes:

Perpetual Private Diversified Fund;
Perpetual Private Balanced Fund;
Perpetual Private Growth Fund;
Perpetual Private Fixed Income Fund.

Perpetual Private Real Estate Fund;
Perpetual Private International Share Fund;
Perpetual Private Australian Share Fund;

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

Opinion

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Reports** of the individual Schemes comprises the:

- Balance sheets as at 30 June 2023
- Statements of comprehensive income for the year then ended
- Statements of changes in equity, and statement of cash flows for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declarations.



Basis for opinion

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

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

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

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

KPMG

Andrew Reeves

Partner

Sydney

20 September 2023

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