

# PERPETUAL WHOLESALE FUNDS

ANNUAL FINANCIAL REPORT  
30 JUNE 2018

Perpetual Investment Management Limited  
ABN 18 000 866 535 AFSL 234426

Perpetual 

# Perpetual Wholesale Funds Annual Financial Report 30 June 2018

## Contents

	<b>Page</b>
Directors' report	2
Lead auditor's independence declaration	8
Statements of comprehensive income	9
Balance sheets	13
Statements of changes in equity	17
Statements of cash flows	20
Notes to the financial statements	24
Directors' declaration	123
Independent auditor's report to the unitholders	124

## Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Perpetual Wholesale Funds, present their report together with the annual financial report of Perpetual Wholesale Funds ("the Schemes") for the year ended 30 June 2018 and the auditor's report thereon.

The following are the Schemes included within this report:

<b>Statutory Name</b>	<b>Referred to in this document as</b>	<b>ARSN</b>
Perpetual Dynamic Fixed Income Fund	"Wholesale Dynamic Fixed Income Fund"	147 094 415
Perpetual Income Share Fund	"Wholesale Income Share Fund"	093 446 256
Perpetual Australian Share Fund	"Wholesale Australian Share Fund"	091 189 132
Perpetual Concentrated Equity Fund	"Wholesale Concentrated Equity Fund"	091 185 590
Perpetual Ethical SRI Fund	"Wholesale Ethical SRI Fund"	099 975 041
Perpetual Geared Australian Share Fund	"Wholesale Geared Australian Share Fund"	103 864 688
Perpetual Wholesale Industrial Fund	"Wholesale Industrial Share Fund"	091 187 049
Perpetual Wholesale International Share Fund	"Wholesale International Share Fund"	091 186 837
Perpetual SHARE-PLUS Long-Short Fund	"Wholesale SHARE-PLUS Long-Short Fund"	103 864 937
Perpetual Smaller Companies Fund	"Wholesale Smaller Companies Fund"	091 188 082
Perpetual Wholesale Smaller Companies Fund No. 2	"Wholesale Smaller Companies Fund No. 2"	110 147 503
Perpetual Global Share Fund	"Wholesale Global Share Fund"	601 199 035
Perpetual Global Share Fund Hedged	"Wholesale Global Share Fund Hedged"	608 416 771
Perpetual Conservative Growth Fund	"Wholesale Conservative Growth Fund"	105 779 628
Perpetual Diversified Growth Fund	"Wholesale Diversified Growth Fund"	098 429 746
Perpetual Diversified Real Return Fund	"Diversified Real Return Fund"	146 128 181
Perpetual Balanced Growth Fund	"Wholesale Balanced Growth Fund"	091 187 601
Perpetual Split Growth Fund	"Wholesale Split Growth Fund"	091 185 438

## Responsible Entity

The Responsible Entity of the Perpetual Wholesale 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' report (continued)**

### **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:

D Lane (appointed 20 April 2017)

G Larkins (appointed 7 January 2013)

M Smith (appointed 3 November 2016)

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

### **Principal activities**

The Schemes invest and trade in deposits, listed and unlisted equities, listed unit trusts and unlisted unit trusts, listed convertible notes, debt securities, derivatives and a range of diversified income generating assets in accordance with the provisions of the Constitutions of the Schemes.

The objectives and investment strategy of the Schemes are disclosed in the Perpetual Wholesale Funds' Product Disclosure Statement.

The Schemes did not have any employees during the year.

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

### **Review and results of operations**

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

## Directors' report (continued)

### Review and results of operations (continued)

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

	<b>Wholesale Dynamic Fixed Income Fund</b>		<b>Wholesale Income Share Fund</b>		<b>Wholesale Australian Share Fund</b>		<b>Wholesale Concentrated Equity Fund</b>		<b>Wholesale Ethical SRI Fund</b>	
	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
Operating profit/(loss)	<b>287</b>	604	<b>8,432</b>	19,967	<b>110,428</b>	140,063	<b>111,585</b>	140,055	<b>82,672</b>	157,296
Distributions paid and payable	<b>350</b>	517	<b>12,542</b>	10,608	<b>43,644</b>	77,720	<b>98,652</b>	63,852	<b>71,833</b>	110,021
Distributions (cents per unit)	<b>3.04</b>	3.73	<b>10.12</b>	8.65	<b>4.66</b>	7.61	<b>15.48</b>	9.73	<b>10.79</b>	16.65
	<b>Wholesale Geared Australian Share Fund</b>		<b>Wholesale Industrial Share Fund</b>		<b>Wholesale International Share Fund</b>		<b>Wholesale SHARE-PLUS Long-Short Fund</b>		<b>Wholesale Smaller Companies Fund</b>	
	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
Operating profit/(loss)	<b>120,425</b>	128,790	<b>120,894</b>	272,877	<b>17,086</b>	21,317	<b>175,362</b>	180,167	<b>88,541</b>	122,632
Distributions paid and payable	<b>81,822</b>	39,005	<b>101,600</b>	109,493	<b>560</b>	1,798	<b>149,179</b>	67,711	<b>89,078</b>	111,398
Distributions (cents per unit)	<b>33.00</b>	15.11	<b>6.56</b>	6.75	<b>0.93</b>	2.78	<b>28.29</b>	12.93	<b>12.17</b>	16.03

**Directors' report (continued)**

**Review and results of operations (continued)**

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

	<b>Wholesale Smaller Companies Fund No.2</b>		<b>Wholesale Global Share Fund - Class W</b>		<b>Wholesale Global Share Fund - Class A</b>		<b>Wholesale Global Share Fund Hedged - Class W</b>		<b>Wholesale Global Share Fund Hedged - Class A</b>	
	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
Operating profit/(loss)	<b>7,906</b>	10,683	<b>87,082</b>	98,639	-	-	<b>2,169</b>	3,366	-	-
Distributions paid and payable	<b>7,077</b>	10,141	<b>66,937</b>	18,579	<b>42,095</b>	9,077	<b>1,294</b>	520	<b>4,049</b>	970
Distributions (cents per unit)	<b>5.72</b>	9.08	<b>32.42</b>	9.20	<b>23.01</b>	5.91	<b>26.05</b>	10.47	<b>23.59</b>	9.35
	<b>Wholesale Conservative Growth Fund</b>		<b>Wholesale Diversified Growth Fund</b>		<b>Diversified Real Return Fund - Class W</b>		<b>Diversified Real Return Fund - Class Z</b>		<b>Wholesale Balanced Growth Fund</b>	
	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
Operating profit/(loss)	<b>15,696</b>	17,895	<b>6,995</b>	8,350	<b>13,865</b>	14,118	-	-	<b>50,320</b>	67,222
Distributions paid and payable	<b>10,562</b>	10,734	<b>5,001</b>	5,427	<b>14,610</b>	9,470	<b>1</b>	-	<b>41,892</b>	49,755
Distributions (cents per unit)	<b>3.35</b>	3.18	<b>4.65</b>	5.03	<b>4.04</b>	3.53	<b>2.87</b>	-	<b>8.24</b>	9.68
	<b>Wholesale Split Growth Fund</b>									
	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000								
Operating profit/(loss)	<b>4,626</b>	6,232								
Distributions paid and payable	<b>5,069</b>	2,704								
Distributions (cents per unit)	<b>14.92</b>	8.07								

## **Directors' report (continued)**

### **Interests in the Schemes**

The movement in units on issue in the Schemes during the year is disclosed in note 7 to the financial statements.

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

### **Significant changes in state of affairs**

On 1 June 2018, the Diversified Real Return Fund offered a new class of units to investors, being Class Z.

On 29 September 2017, the Responsible Entity announced that it has elected into the Attribution Managed Investment Trust (AMIT) regime for the Schemes for the year ending 30 June 2018 and subsequent years. The Schemes are therefore no longer contractually obliged to pay distributions as disclosed in note 1 to the financial statements.

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

### **Likely developments and expected results of operations**

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

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

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

### **Environmental regulation**

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

## Directors' report (continued)

### 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 15 to the financial statements.

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

The number of interests in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 15 to the financial statements.

### Indemnification and insurance of officers and auditors

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

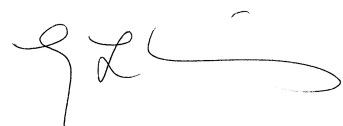
### Rounding of amounts to the nearest thousand dollars

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

### Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

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



Director

Sydney  
19 September 2018





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

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

Perpetual Dynamic Fixed Income Fund;

Perpetual Income Share Fund;

Perpetual Australian Share Fund;

Perpetual Concentrated Equity Fund;

Perpetual Ethical SRI Fund;

Perpetual Geared Australian Fund;

Perpetual Wholesale Industrial Fund;

Perpetual Wholesale International Share Fund;

Perpetual SHARE-PLUS Long-Short Fund;

Perpetual Smaller Companies Fund;

Perpetual Wholesale Smaller Companies Fund No. 2;

Perpetual Global Share Fund;

Perpetual Global Share Fund Hedged;

Perpetual Conservative Growth Fund;

Perpetual Diversified Growth Fund;

Perpetual Diversified Real Return Fund;

Perpetual Balanced Growth Fund; and

Perpetual Split Growth Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2018, 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.

KPMG

Jessica Davis

*Partner*

Sydney

19 September 2018

**Perpetual Wholesale Funds**  
**Statements of comprehensive income**  
**For the year ended 30 June 2018**

**Statements of comprehensive income**

	Notes	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>											
Dividend/distribution income		374	446	6,709	6,500	86,982	106,174	45,638	44,007	52,298	42,729
Interest income		12	10	166	159	-	-	65	60	1,596	1,211
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(91)	170	3,461	15,169	23,444	33,869	78,883	108,475	48,192	132,227
Net foreign exchange gains/(losses)		-	-	-	-	-	-	(38)	-	(165)	-
Other income		-	-	-	9	6	20	14	-	39	34
<b>Total net investment income/(loss)</b>		<b>295</b>	<b>626</b>	<b>10,336</b>	<b>21,837</b>	<b>110,432</b>	<b>140,063</b>	<b>124,562</b>	<b>152,542</b>	<b>101,960</b>	<b>176,201</b>
<b>Expenses</b>											
Responsible Entity's fees	15	4	22	1,586	1,511	-	-	11,354	11,355	16,170	15,180
Other operating expenses	5	4	-	318	359	4	-	1,623	1,132	3,118	3,725
<b>Total expenses</b>		<b>8</b>	<b>22</b>	<b>1,904</b>	<b>1,870</b>	<b>4</b>	<b>-</b>	<b>12,977</b>	<b>12,487</b>	<b>19,288</b>	<b>18,905</b>
<b>Operating profit/(loss)</b>		<b>287</b>	<b>604</b>	<b>8,432</b>	<b>19,967</b>	<b>110,428</b>	<b>140,063</b>	<b>111,585</b>	<b>140,055</b>	<b>82,672</b>	<b>157,296</b>
<b>Finance costs attributable to unitholders</b>											
Distributions to unitholders*	6	-	517	-	10,608	-	77,720	-	63,852	-	110,021
Changes in net assets attributable to unitholders*	7	-	87	-	9,359	-	62,343	-	76,203	-	47,275
<b>Profit/(loss)</b>		<b>287</b>	<b>-</b>	<b>8,432</b>	<b>-</b>	<b>110,428</b>	<b>-</b>	<b>111,585</b>	<b>-</b>	<b>82,672</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>287</b>	<b>-</b>	<b>8,432</b>	<b>-</b>	<b>110,428</b>	<b>-</b>	<b>111,585</b>	<b>-</b>	<b>82,672</b>	<b>-</b>

\*Effective from 1 July 2017, distributions to unitholders and changes in net assets attributable to unitholders have been disclosed in the statements of changes in equity due to the AMIT tax regime implementation; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund. These were disclosed in the above statements for the comparative year.

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

**Perpetual Wholesale Funds**  
**Statements of comprehensive income**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of comprehensive income**

		<b>Wholesale Geared Australian Share Fund</b>		<b>Wholesale Industrial Share Fund</b>		<b>Wholesale International Share Fund</b>		<b>Wholesale SHARE-PLUS Long-Short Fund</b>		<b>Wholesale Smaller Companies Fund</b>	
		<b>30 June 2018 \$'000</b>	<b>30 June 2017 \$'000</b>	<b>30 June 2018 \$'000</b>	<b>30 June 2017 \$'000</b>	<b>30 June 2018 \$'000</b>	<b>30 June 2017 \$'000</b>	<b>30 June 2018 \$'000</b>	<b>30 June 2017 \$'000</b>	<b>30 June 2018 \$'000</b>	<b>30 June 2017 \$'000</b>
<b>Investment income</b>											
Dividend/distribution income		54,254	51,252	203,750	172,483	22,057	6,519	62,680	52,658	29,721	27,850
Interest income	3	74	1	-	-	-	-	2,892	3,522	53	227
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	83,344	96,045	(61,974)	121,655	(3,447)	16,263	145,116	155,962	72,505	108,826
Net foreign exchange gains/(losses)		(49)	(15)	-	-	-	-	(620)	(1,034)	-	-
Gains/(losses) from short selling		-	-	-	-	-	-	(8,158)	(7,325)	-	-
Other income		21	12	-	-	-	-	78	53	249	81
<b>Total net investment income/(loss)</b>		<b>137,644</b>	<b>147,295</b>	<b>141,776</b>	<b>294,138</b>	<b>18,610</b>	<b>22,782</b>	<b>201,988</b>	<b>203,836</b>	<b>102,528</b>	<b>136,984</b>
<b>Expenses</b>											
Responsible Entity's fees	15	14,810	15,686	20,878	21,261	1,520	1,465	19,946	17,561	11,757	11,204
Short selling expenses		-	-	-	-	-	-	1,860	1,841	-	-
Other operating expenses	5	2,409	2,819	4	-	4	-	4,820	4,267	2,230	3,148
<b>Total expenses</b>		<b>17,219</b>	<b>18,505</b>	<b>20,882</b>	<b>21,261</b>	<b>1,524</b>	<b>1,465</b>	<b>26,626</b>	<b>23,669</b>	<b>13,987</b>	<b>14,352</b>
<b>Operating profit/(loss)</b>		<b>120,425</b>	<b>128,790</b>	<b>120,894</b>	<b>272,877</b>	<b>17,086</b>	<b>21,317</b>	<b>175,362</b>	<b>180,167</b>	<b>88,541</b>	<b>122,632</b>
<b>Finance costs attributable to unitholders</b>											
Distributions to unitholders*	6	-	39,005	-	109,493	-	1,798	-	67,711	-	111,398
Interest expense		16,258	14,962	-	-	-	-	2	-	-	-
Changes in net assets attributable to unitholders*	7	-	74,823	-	163,384	-	19,519	-	112,456	-	11,234
<b>Profit/(loss)</b>		<b>104,167</b>	<b>-</b>	<b>120,894</b>	<b>-</b>	<b>17,086</b>	<b>-</b>	<b>175,360</b>	<b>-</b>	<b>88,541</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>104,167</b>	<b>-</b>	<b>120,894</b>	<b>-</b>	<b>17,086</b>	<b>-</b>	<b>175,360</b>	<b>-</b>	<b>88,541</b>	<b>-</b>

\*Effective from 1 July 2017, distributions to unitholders and changes in net assets attributable to unitholders have been disclosed in the statements of changes in equity due to the AMIT tax regime implementation; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund. These were disclosed in the above statements for the comparative year.

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

**Perpetual Wholesale Funds**  
**Statements of comprehensive income**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of comprehensive income**

		Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund	
	Notes	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Investment income</b>											
Dividend/distribution income		8,335	9,946	9,537	8,758	5,016	1,027	16,291	13,841	6,701	5,566
Interest income	3	-	-	546	428	1	-	621	553	166	142
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(426)	736	79,692	96,407	(2,514)	2,645	1,370	5,423	1,051	3,354
Net foreign exchange gains/(losses)		-	-	2,221	(2,985)	(110)	(174)	145	(199)	57	(88)
Other income		1	1	393	-	-	-	17	18	6	6
<b>Total net investment income/(loss)</b>		<b>7,910</b>	<b>10,683</b>	<b>92,389</b>	<b>102,608</b>	<b>2,393</b>	<b>3,498</b>	<b>18,444</b>	<b>19,636</b>	<b>7,981</b>	<b>8,980</b>
<b>Expenses</b>											
Responsible Entity's fees	15	-	-	2,631	2,069	200	105	1,642	1,623	614	588
Other operating expenses	5	4	-	2,676	1,900	24	27	1,106	118	372	42
<b>Total expenses</b>		<b>4</b>	<b>-</b>	<b>5,307</b>	<b>3,969</b>	<b>224</b>	<b>132</b>	<b>2,748</b>	<b>1,741</b>	<b>986</b>	<b>630</b>
<b>Operating profit/(loss)</b>		<b>7,906</b>	<b>10,683</b>	<b>87,082</b>	<b>98,639</b>	<b>2,169</b>	<b>3,366</b>	<b>15,696</b>	<b>17,895</b>	<b>6,995</b>	<b>8,350</b>
<b>Finance costs attributable to unitholders</b>											
Distributions to unitholders*	6	-	10,141	109,032	27,656	5,343	1,490	-	10,734	-	5,427
Interest expense		-	-	58	23	-	-	56	10	22	5
Changes in net assets attributable to unitholders*	7	-	542	(22,008)	70,960	(3,174)	1,876	-	7,151	-	2,918
<b>Profit/(loss)</b>		<b>7,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,640</b>	<b>-</b>	<b>6,973</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>7,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,640</b>	<b>-</b>	<b>6,973</b>	<b>-</b>

\*Effective from 1 July 2017, distributions to unitholders and changes in net assets attributable to unitholders have been disclosed in the statements of changes in equity due to the AMIT tax regime implementation; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund. These were disclosed in the above statements for the comparative year.

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

**Perpetual Wholesale Funds**  
**Statements of comprehensive income**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of comprehensive income**

	Notes	Diversified Real Return Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Investment income</b>							
Dividend/distribution income		24,857	13,276	38,374	45,256	5,748	3,267
Interest income	3	179	69	-	-	-	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(7,951)	2,130	11,942	21,956	(612)	3,470
Net foreign exchange gains/(losses)		345	(172)	-	-	-	-
Other income		1	-	8	10	4	-
<b>Total net investment income/(loss)</b>		<b>17,431</b>	<b>15,303</b>	<b>50,324</b>	<b>67,222</b>	<b>5,140</b>	<b>6,737</b>
<b>Expenses</b>							
Responsible Entity's fees	15	1,659	1,063	-	-	510	505
Other operating expenses	5	1,907	122	4	-	4	-
<b>Total expenses</b>		<b>3,566</b>	<b>1,185</b>	<b>4</b>	<b>-</b>	<b>514</b>	<b>505</b>
<b>Operating profit/(loss)</b>		<b>13,865</b>	<b>14,118</b>	<b>50,320</b>	<b>67,222</b>	<b>4,626</b>	<b>6,232</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders*	6	14,611	9,470	-	49,755	-	2,704
Interest expense		75	96	-	-	-	-
Changes in net assets attributable to unitholders*	7	(821)	4,552	-	17,467	-	3,528
<b>Profit/(loss)</b>		<b>-</b>	<b>-</b>	<b>50,320</b>	<b>-</b>	<b>4,626</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>50,320</b>	<b>-</b>	<b>4,626</b>	<b>-</b>

\*Effective from 1 July 2017, distributions to unitholders and changes in net assets attributable to unitholders have been disclosed in the statements of changes in equity due to the AMIT tax regime implementation; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund. These were disclosed in the above statements for the comparative year.

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

**Perpetual Wholesale Funds**  
**Balance sheets**  
**As at 30 June 2018**

**Balance sheets**

		<b>Wholesale Dynamic Fixed Income Fund</b>		<b>Wholesale Income Share Fund</b>		<b>Wholesale Australian Share Fund</b>		<b>Wholesale Concentrated Equity Fund</b>		<b>Wholesale Ethical SRI Fund</b>	
		<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017
	Notes	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Assets</b>											
Cash and cash equivalents	13(b)	<b>1,289</b>	581	<b>8,663</b>	12,702	-	-	<b>15,739</b>	2,478	<b>120,657</b>	120,614
Financial assets held at fair value through profit or loss	8	<b>12,129</b>	12,778	<b>150,351</b>	147,137	<b>1,147,513</b>	1,217,692	<b>1,024,120</b>	1,019,009	<b>1,226,231</b>	1,268,769
Receivables for securities sold		-	2,400	<b>835</b>	1,759	<b>668</b>	960	<b>9,043</b>	3,204	<b>12,761</b>	19,590
Receivables	10	<b>193</b>	163	<b>1,236</b>	958	<b>60,042</b>	79,333	<b>6,561</b>	6,768	<b>13,738</b>	10,297
<b>Total assets</b>		<b>13,611</b>	15,922	<b>161,085</b>	162,556	<b>1,208,223</b>	1,297,985	<b>1,055,463</b>	1,031,459	<b>1,373,387</b>	1,419,270
<b>Liabilities</b>											
Financial liabilities held at fair value through profit or loss	9	-	-	-	-	-	-	-	-	<b>14</b>	-
Distributions payable to unitholders of the Schemes	6	<b>107</b>	244	<b>7,693</b>	6,206	<b>23,971</b>	56,823	<b>79,820</b>	44,711	<b>52,095</b>	93,931
Payables for securities purchased		-	-	<b>205</b>	884	<b>87</b>	760	<b>3,903</b>	1,474	<b>5,083</b>	21,060
Payables	11	<b>13</b>	2,368	<b>189</b>	141	<b>819</b>	1,004	<b>2,187</b>	2,149	<b>9,130</b>	2,598
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>120</b>	2,612	<b>8,087</b>	7,231	<b>24,877</b>	58,587	<b>85,910</b>	48,334	<b>66,322</b>	117,589
<b>Net assets attributable to unitholders - liability*</b>	7	-	13,310	-	155,325	-	1,239,398	-	983,125	-	1,301,681
<b>Net assets attributable to unitholders - equity*</b>	7	<b>13,491</b>	-	<b>152,998</b>	-	<b>1,183,346</b>	-	<b>969,553</b>	-	<b>1,307,065</b>	-

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain as financial liability as at 30 June 2018.

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

**Perpetual Wholesale Funds**  
**Balance sheets**  
**As at 30 June 2018**  
**(continued)**

**Balance sheets**

		<b>Wholesale Geared Australian Share Fund</b>		<b>Wholesale Industrial Share Fund</b>		<b>Wholesale International Share Fund</b>		<b>Wholesale SHARE-PLUS Long-Short Fund</b>		<b>Wholesale Smaller Companies Fund</b>	
		<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017
	Notes	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Assets</b>											
Cash and cash equivalents	13(b)	<b>4,962</b>	271	-	-	-	-	<b>192,668</b>	273,704	<b>15,347</b>	3,443
Financial assets held at fair value through profit or loss	8	<b>1,300,233</b>	1,304,582	<b>1,906,571</b>	2,052,113	<b>106,082</b>	114,475	<b>1,615,984</b>	1,368,647	<b>927,029</b>	920,647
Receivables for securities sold		<b>406</b>	5,237	<b>2,294</b>	1,816	<b>207</b>	228	<b>46</b>	30,104	<b>7,040</b>	9,198
Receivables	10	<b>8,481</b>	8,432	<b>145,385</b>	117,086	<b>21,606</b>	6,404	<b>10,512</b>	13,062	<b>2,838</b>	3,399
<b>Total assets</b>		<b>1,314,082</b>	1,318,522	<b>2,054,250</b>	2,171,015	<b>127,895</b>	121,107	<b>1,819,210</b>	1,685,517	<b>952,254</b>	936,687
<b>Liabilities</b>											
Bank overdraft	12,13(b)	<b>687,669</b>	729,871	-	-	-	-	-	-	-	-
Financial liabilities held at fair value through profit or loss	9	-	-	-	-	-	-	<b>289,237</b>	224,456	-	-
Distributions payable to unitholders of the Schemes	6	<b>61,787</b>	22,021	<b>56,134</b>	64,222	<b>560</b>	1,798	<b>128,247</b>	50,927	<b>76,580</b>	100,219
Payables for securities purchased		<b>4,763</b>	13,215	<b>633</b>	3,543	<b>8</b>	31	<b>3,670</b>	28,238	<b>5,121</b>	7,321
Interest payable	12	<b>1,387</b>	1,293	-	-	-	-	-	-	-	-
Payables	11	<b>3,002</b>	1,947	<b>3,096</b>	2,276	<b>346</b>	361	<b>4,514</b>	5,120	<b>2,004</b>	1,305
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>758,608</b>	768,347	<b>59,863</b>	70,041	<b>914</b>	2,190	<b>425,668</b>	308,741	<b>83,705</b>	108,845
<b>Net assets attributable to unitholders - liability*</b>	7	-	550,175	-	2,100,974	-	118,917	-	1,376,776	-	827,842
<b>Net assets attributable to unitholders - equity*</b>	7	<b>555,474</b>	-	<b>1,994,387</b>	-	<b>126,981</b>	-	<b>1,393,542</b>	-	<b>868,549</b>	-

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain as financial liability as at 30 June 2018.

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

**Perpetual Wholesale Funds**  
**Balance sheets**  
**As at 30 June 2018**  
**(continued)**

**Balance sheets**

		<b>Wholesale Smaller Companies Fund No.2</b>		<b>Wholesale Global Share Fund</b>		<b>Wholesale Global Share Fund Hedged</b>		<b>Wholesale Conservative Growth Fund</b>		<b>Wholesale Diversified Growth Fund</b>	
		<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
<b>Assets</b>											
Cash and cash equivalents	13(b)	-	-	<b>86,253</b>	110,993	-	-	<b>10,934</b>	5,547	<b>4,655</b>	2,463
Financial assets held at fair value through profit or loss	8	<b>81,473</b>	73,835	<b>590,647</b>	446,164	<b>24,214</b>	18,342	<b>349,241</b>	375,586	<b>118,231</b>	120,960
Receivables for securities sold		<b>52</b>	-	<b>3,457</b>	9,333	-	-	<b>350</b>	-	<b>168</b>	-
Receivables	10	<b>7,260</b>	8,973	<b>1,517</b>	1,174	<b>4,928</b>	1,125	<b>10,073</b>	9,611	<b>4,817</b>	4,115
<b>Total assets</b>		<b>88,785</b>	82,808	<b>681,874</b>	567,664	<b>29,142</b>	19,467	<b>370,598</b>	390,744	<b>127,871</b>	127,538
<b>Liabilities</b>											
Financial liabilities held at fair value through profit or loss	9	-	-	-	254	<b>682</b>	14	<b>4,295</b>	362	<b>1,519</b>	254
Distributions payable to unitholders of the Schemes	6	<b>5,932</b>	9,152	<b>107,589</b>	27,152	<b>5,318</b>	1,482	<b>7,637</b>	8,391	<b>3,863</b>	5,019
Payables for securities purchased		<b>66</b>	21	<b>21,904</b>	14,501	-	110	<b>79</b>	1,924	<b>38</b>	641
Payables	11	<b>52</b>	-	<b>1,089</b>	1,014	<b>22</b>	41	<b>1,143</b>	602	<b>234</b>	226
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>6,050</b>	9,173	<b>130,582</b>	42,921	<b>6,022</b>	1,647	<b>13,154</b>	11,279	<b>5,654</b>	6,140
<b>Net assets attributable to unitholders - liability*</b>	7	-	73,635	<b>551,292</b>	524,743	<b>23,120</b>	17,820	-	379,465	-	121,398
<b>Net assets attributable to unitholders - equity*</b>	7	<b>82,735</b>	-	-	-	-	-	<b>357,444</b>	-	<b>122,217</b>	-

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain as financial liability as at 30 June 2018.

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



**Perpetual Wholesale Funds**  
**Balance sheets**  
**As at 30 June 2018**  
**(continued)**

<b>Balance sheets</b>		<b>Diversified Real</b>		<b>Wholesale Balanced</b>		<b>Wholesale Split</b>	
		<b>Return Fund</b>		<b>Growth Fund</b>		<b>Growth Fund</b>	
	Notes	<b>30 June</b>	30 June	<b>30 June</b>	30 June	<b>30 June</b>	30 June
		<b>2018</b>	2017	<b>2018</b>	2017	<b>2018</b>	2017
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Assets</b>							
Cash and cash equivalents	13(b)	<b>19,719</b>	12,147	-	-	-	-
Financial assets held at fair value through profit or loss	8	<b>378,837</b>	282,818	<b>736,514</b>	731,895	<b>44,211</b>	44,088
Receivables for securities sold		<b>1,124</b>	-	<b>307</b>	1,173	<b>27</b>	10
Receivables	10	<b>16,680</b>	8,478	<b>32,227</b>	42,522	<b>5,215</b>	2,768
<b>Total assets</b>		<b>416,360</b>	303,443	<b>769,048</b>	775,590	<b>49,453</b>	46,866
<b>Liabilities</b>							
Financial liabilities held at fair value through profit or loss	9	<b>11,896</b>	1,363	-	-	-	-
Distributions payable to unitholders of the Schemes	6	<b>11,466</b>	8,842	<b>41,884</b>	48,490	<b>5,069</b>	2,704
Payables for securities purchased		<b>254</b>	4,436	<b>111</b>	255	<b>46</b>	22
Payables	11	<b>308</b>	121	<b>307</b>	1,253	<b>73</b>	55
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>23,924</b>	14,762	<b>42,302</b>	49,998	<b>5,188</b>	2,781
<b>Net assets attributable to unitholders - liability*</b>	7	<b>392,436</b>	288,681	-	725,592	-	44,085
<b>Net assets attributable to unitholders - equity*</b>	7	-	-	<b>726,746</b>	-	<b>44,265</b>	-

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain as financial liability as at 30 June 2018.

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

**Perpetual Wholesale Funds  
Statements of changes in equity  
For the year ended 30 June 2018**

**Statements of changes in equity**

	Notes	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the year</b>											
Reclassification due to AMIT tax regime implementation*	7	13,310	-	155,325	-	1,239,398	-	983,125	-	1,301,681	-
<b>Comprehensive income for the year</b>											
Profit/(loss)		287	-	8,432	-	110,428	-	111,585	-	82,672	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		287	-	8,432	-	110,428	-	111,585	-	82,672	-
<b>Transactions with unitholders</b>											
Applications	7	7,267	-	4,441	-	132,893	-	120,819	-	345,517	-
Redemptions	7	(7,145)	-	(11,571)	-	(303,703)	-	(167,112)	-	(409,794)	-
Units issued upon reinvestment of distributions	7	122	-	8,913	-	47,974	-	19,788	-	58,822	-
Distributions to unitholders	6, 7	(350)	-	(12,542)	-	(43,644)	-	(98,652)	-	(71,833)	-
<b>Total transactions with unitholders</b>		(106)	-	(10,759)	-	(166,480)	-	(125,157)	-	(77,288)	-
<b>Total equity at the end of the year*</b>	7	13,491	-	152,998	-	1,183,346	-	969,553	-	1,307,065	-

\* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the year ended 30 June 2018. There were no equity transactions for the comparative year. Except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their units remain classified as financial liability for the year ended 30 June 2018.

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

**Perpetual Wholesale Funds**  
**Statements of changes in equity**  
**For the year ended 30 June 2018**  
**(continued)**

Statements of changes in equity	Notes	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the year</b>											
Reclassification due to AMIT tax regime implementation*	7	550,175	-	2,100,974	-	118,917	-	1,376,776	-	827,842	-
<b>Comprehensive income for the year</b>											
Profit/(loss)		104,167	-	120,894	-	17,086	-	175,360	-	88,541	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>104,167</b>	<b>-</b>	<b>120,894</b>	<b>-</b>	<b>17,086</b>	<b>-</b>	<b>175,360</b>	<b>-</b>	<b>88,541</b>	<b>-</b>
<b>Transactions with unitholders</b>											
Applications	7	167,750	-	320,268	-	6,920	-	427,851	-	75,413	-
Redemptions	7	(201,690)	-	(462,878)	-	(15,771)	-	(447,844)	-	(128,394)	-
Units issued upon reinvestment of distributions	7	16,894	-	16,729	-	389	-	10,578	-	94,225	-
Distributions to unitholders	6, 7	(81,822)	-	(101,600)	-	(560)	-	(149,179)	-	(89,078)	-
<b>Total transactions with unitholders</b>		<b>(98,868)</b>	<b>-</b>	<b>(227,481)</b>	<b>-</b>	<b>(9,022)</b>	<b>-</b>	<b>(158,594)</b>	<b>-</b>	<b>(47,834)</b>	<b>-</b>
<b>Total equity at the end of the year*</b>	7	<b>555,474</b>	<b>-</b>	<b>1,994,387</b>	<b>-</b>	<b>126,981</b>	<b>-</b>	<b>1,393,542</b>	<b>-</b>	<b>868,549</b>	<b>-</b>

\* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the year ended 30 June 2018. There were no equity transactions for the comparative year. Except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their units remain classified as financial liability for the year ended 30 June 2018.

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

**Perpetual Wholesale Funds**  
**Statements of changes in equity**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of changes in equity**

	Notes	Wholesale Smaller Companies Fund No.2		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the year</b>											
Reclassification due to AMIT tax regime implementation*	7	73,635	-	379,465	-	121,398	-	725,592	-	44,085	-
<b>Comprehensive income for the year</b>											
Profit/(loss)		7,906	-	15,640	-	6,973	-	50,320	-	4,626	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>7,906</b>	<b>-</b>	<b>15,640</b>	<b>-</b>	<b>6,973</b>	<b>-</b>	<b>50,320</b>	<b>-</b>	<b>4,626</b>	<b>-</b>
<b>Transactions with unitholders</b>											
Applications	7	19,638	-	67,537	-	20,083	-	65,947	-	6,223	-
Redemptions	7	(19,356)	-	(103,932)	-	(25,518)	-	(97,235)	-	(7,305)	-
Units issued upon reinvestment of distributions	7	7,989	-	9,296	-	4,282	-	24,014	-	1,705	-
Distributions to unitholders	6, 7	(7,077)	-	(10,562)	-	(5,001)	-	(41,892)	-	(5,069)	-
<b>Total transactions with unitholders</b>		<b>1,194</b>	<b>-</b>	<b>(37,661)</b>	<b>-</b>	<b>(6,154)</b>	<b>-</b>	<b>(49,166)</b>	<b>-</b>	<b>(4,446)</b>	<b>-</b>
<b>Total equity at the end of the year*</b>	7	<b>82,735</b>	<b>-</b>	<b>357,444</b>	<b>-</b>	<b>122,217</b>	<b>-</b>	<b>726,746</b>	<b>-</b>	<b>44,265</b>	<b>-</b>

\* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the year ended 30 June 2018. There were no equity transactions for the comparative year. Except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their units remain classified as financial liability for the year ended 30 June 2018.

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

**Perpetual Wholesale Funds**  
**Statements of cash flows**  
**For the year ended 30 June 2018**

**Statements of cash flows**

	<b>Wholesale Dynamic Fixed Income Fund</b>		<b>Wholesale Income Share Fund</b>		<b>Wholesale Australian Share Fund</b>		<b>Wholesale Concentrated Equity Fund</b>		<b>Wholesale Ethical SRI Fund</b>	
	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017
Notes	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>										
Dividends/distributions received	413	592	6,429	6,375	105,708	109,165	45,959	45,435	48,523	40,865
Interest received	12	11	167	178	-	-	64	62	1,596	1,289
Other income received	-	3	140	132	6	20	945	837	1,472	1,242
Responsible Entity's fees paid	(4)	(26)	(1,705)	(1,594)	-	-	(12,186)	(12,198)	(17,395)	(16,021)
Other operating expenses paid	(4)	-	(341)	(415)	(4)	-	(1,734)	(1,213)	(3,338)	(3,997)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>417</b>	580	<b>4,690</b>	4,676	<b>105,710</b>	109,185	<b>33,048</b>	32,923	<b>30,858</b>	23,378
<b>Cash flows from investing activities</b>										
Proceeds from sale of investments and settlement of derivative contracts	10,471	1,882	102,228	114,535	296,623	378,608	833,625	742,446	1,050,564	1,197,131
Payments for purchase of investments and settlement of derivative contracts	(7,513)	(2,942)	(101,736)	(117,699)	(203,381)	(262,092)	(763,281)	(630,255)	(1,017,640)	(1,278,020)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>2,958</b>	(1,060)	<b>492</b>	(3,164)	<b>93,242</b>	116,516	<b>70,344</b>	112,191	<b>32,924</b>	(80,889)
<b>Cash flows from financing activities</b>										
Proceeds from applications by unitholders	7,198	3,968	4,441	8,005	133,458	424,200	120,717	259,967	345,821	827,531
Payments for redemptions by unitholders	(9,500)	(2,984)	(11,520)	(7,407)	(303,888)	(581,554)	(167,093)	(316,469)	(354,713)	(665,443)
Distributions paid	(365)	(417)	(2,142)	(1,549)	(28,522)	(68,347)	(43,755)	(88,132)	(54,847)	(38,562)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(2,667)</b>	567	<b>(9,221)</b>	(951)	<b>(198,952)</b>	(225,701)	<b>(90,131)</b>	(144,634)	<b>(63,739)</b>	123,526
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>708</b>	87	<b>(4,039)</b>	561	-	-	<b>13,261</b>	480	<b>43</b>	66,015
Cash and cash equivalents at the beginning of the year	581	494	12,702	12,141	-	-	2,478	1,998	120,614	54,599
<b>Cash and cash equivalents at the end of the year</b>	<b>1,289</b>	581	<b>8,663</b>	12,702	-	-	<b>15,739</b>	2,478	<b>120,657</b>	120,614

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

**Perpetual Wholesale Funds**  
**Statements of cash flows**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of cash flows**

	<b>Wholesale Geared Australian Share Fund</b>		<b>Wholesale Industrial Share Fund</b>		<b>Wholesale International Share Fund</b>		<b>Wholesale SHARE-PLUS Long-Short Fund</b>		<b>Wholesale Smaller Companies Fund</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Notes	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>										
Dividends/distributions received	53,677	51,257	172,801	252,595	6,834	2,014	61,936	51,232	30,263	26,289
Interest received	1	-	-	-	-	-	3,027	3,649	52	230
Other income received	1,415	1,219	1,571	1,400	109	99	1,812	1,575	1,261	1,037
Gains/(losses) from short selling	-	-	-	-	-	-	(8,438)	(6,851)	-	-
Responsible Entity's fees paid	(16,049)	(16,667)	(22,367)	(22,742)	(1,625)	(1,571)	(21,189)	(18,601)	(12,579)	(11,981)
Short selling expenses paid	-	-	-	-	-	-	(1,720)	(1,904)	-	-
Other operating expenses paid	(2,785)	(2,899)	(4)	-	(4)	-	(5,270)	(4,551)	(2,379)	(3,370)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>36,259</b>	<b>32,910</b>	<b>152,001</b>	<b>231,253</b>	<b>5,314</b>	<b>542</b>	<b>30,158</b>	<b>24,549</b>	<b>16,618</b>	<b>12,205</b>
<b>Cash flows from investing activities</b>										
Proceeds from sale of investments and settlement of derivative contracts	865,825	1,012,887	469,967	553,007	17,726	25,335	1,615,534	1,347,439	988,050	1,568,085
Payments for purchase of investments and settlement of derivative contracts	(781,786)	(1,016,862)	(389,787)	(551,726)	(12,782)	(6,421)	(1,648,138)	(1,467,883)	(921,969)	(1,516,978)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>84,039</b>	<b>(3,975)</b>	<b>80,180</b>	<b>1,281</b>	<b>4,944</b>	<b>18,914</b>	<b>(32,604)</b>	<b>(120,444)</b>	<b>66,081</b>	<b>51,107</b>
<b>Cash flows from financing activities</b>										
Proceeds from applications by unitholders	168,417	250,234	322,875	824,803	6,943	19,240	431,185	677,623	75,431	112,714
Payments for redemptions by unitholders	(200,480)	(317,094)	(462,097)	(907,630)	(15,792)	(38,007)	(448,526)	(520,009)	(127,734)	(161,114)
Distributions paid	(25,162)	(20,632)	(92,959)	(149,707)	(1,409)	(689)	(61,281)	(57,784)	(18,492)	(13,037)
Interest expense paid	(16,164)	(15,026)	-	-	-	-	(2)	-	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(73,389)</b>	<b>(102,518)</b>	<b>(232,181)</b>	<b>(232,534)</b>	<b>(10,258)</b>	<b>(19,456)</b>	<b>(78,624)</b>	<b>99,830</b>	<b>(70,795)</b>	<b>(61,437)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>46,909</b>	<b>(73,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81,070)</b>	<b>3,935</b>	<b>11,904</b>	<b>1,875</b>
Cash and cash equivalents/(bank overdraft) at the beginning of the year	(729,600)	(656,017)	-	-	-	-	273,704	269,773	3,443	1,568
Effects of foreign currency exchange rate changes on cash and cash equivalents	(16)	-	-	-	-	-	34	(4)	-	-
<b>Cash and cash equivalents/(bank overdraft) at the end of the year</b>	<b>(682,707)</b>	<b>(729,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,668</b>	<b>273,704</b>	<b>15,347</b>	<b>3,443</b>

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

**Perpetual Wholesale Funds**  
**Statements of cash flows**  
**For the year ended 30 June 2018**  
(continued)

**Statements of cash flows**

	Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>										
Dividends/distributions received	10,093	6,440	9,460	8,526	1,097	188	15,221	17,421	6,052	6,211
Interest received	-	-	546	445	1	-	621	556	166	144
Other income received	1	1	237	18	23	-	144	135	52	48
Responsible Entity's fees paid	-	-	(2,763)	(2,187)	(206)	(106)	(1,783)	(1,741)	(659)	(630)
Other operating expenses paid	(4)	-	(3,088)	(1,549)	(54)	-	(1,112)	(124)	(374)	(44)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>10,090</b>	<b>6,441</b>	<b>4,392</b>	<b>5,253</b>	<b>861</b>	<b>82</b>	<b>13,091</b>	<b>16,247</b>	<b>5,237</b>	<b>5,729</b>
13(a)										
<b>Cash flows from investing activities</b>										
Proceeds from sale of investments and settlement of derivative contracts	19,943	13,978	728,254	538,651	9,966	5,789	124,475	147,346	45,618	47,116
Payments for purchase of investments and settlement of derivative contracts	(28,014)	(19,805)	(779,633)	(495,007)	(17,904)	(11,009)	(94,962)	(144,569)	(41,311)	(46,230)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(8,071)</b>	<b>(5,827)</b>	<b>(51,379)</b>	<b>43,644</b>	<b>(7,938)</b>	<b>(5,220)</b>	<b>29,513</b>	<b>2,777</b>	<b>4,307</b>	<b>886</b>
<b>Cash flows from financing activities</b>										
Proceeds from applications by unitholders	19,593	13,365	123,260	71,018	9,080	6,877	68,144	86,660	20,030	36,573
Payments for redemptions by unitholders	(19,304)	(12,515)	(99,894)	(95,014)	(536)	(1,220)	(103,370)	(101,625)	(25,509)	(41,709)
Distributions paid	(2,308)	(1,464)	(2,886)	(567)	(1,467)	(519)	(2,020)	(3,440)	(1,875)	(1,968)
Interest expense paid	-	-	(58)	(23)	-	-	(56)	(10)	(22)	(5)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(2,019)</b>	<b>(614)</b>	<b>20,422</b>	<b>(24,586)</b>	<b>7,077</b>	<b>5,138</b>	<b>(37,302)</b>	<b>(18,415)</b>	<b>(7,376)</b>	<b>(7,109)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>(26,565)</b>	<b>24,311</b>	<b>-</b>	<b>-</b>	<b>5,302</b>	<b>609</b>	<b>2,168</b>	<b>(494)</b>
Cash and cash equivalents at the beginning of the year	-	-	110,993	87,569	-	-	5,547	4,969	2,463	2,969
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	1,825	(887)	-	-	85	(31)	24	(12)
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>	<b>86,253</b>	<b>110,993</b>	<b>-</b>	<b>-</b>	<b>10,934</b>	<b>5,547</b>	<b>4,655</b>	<b>2,463</b>
13(b)										

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

**Perpetual Wholesale Funds**  
**Statements of cash flows**  
**For the year ended 30 June 2018**  
**(continued)**

**Statements of cash flows**

	<b>Diversified Real Return Fund</b>		<b>Wholesale Balanced Growth Fund</b>		<b>Wholesale Split Growth Fund</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>						
Dividends/distributions received	16,621	10,218	48,444	56,911	3,326	3,880
Interest received	179	74	-	-	-	-
Other income received	113	65	8	10	40	35
Responsible Entity's fees paid	(1,736)	(1,093)	-	-	(546)	(544)
Other operating expenses paid	(1,909)	(124)	(4)	-	(4)	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>13,268</b>	<b>9,140</b>	<b>48,448</b>	<b>56,921</b>	<b>2,816</b>	<b>3,371</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of investments	178,300	153,292	119,733	171,976	10,164	13,032
Payments for purchase of investments	(276,792)	(250,806)	(111,688)	(124,948)	(10,892)	(8,202)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(98,492)</b>	<b>(97,514)</b>	<b>8,045</b>	<b>47,028</b>	<b>(728)</b>	<b>4,830</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	143,307	121,049	66,172	179,384	6,199	8,680
Payments for redemptions by unitholders	(46,401)	(26,016)	(98,181)	(256,797)	(7,288)	(15,708)
Distributions paid	(4,129)	(1,370)	(24,484)	(26,536)	(999)	(1,173)
Interest expense paid	(75)	(96)	-	-	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>92,702</b>	<b>93,567</b>	<b>(56,493)</b>	<b>(103,949)</b>	<b>(2,088)</b>	<b>(8,201)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,478</b>	<b>5,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	12,147	7,050	-	-	-	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	94	(96)	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>19,719</b>	<b>12,147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



## **1 General information**

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

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

The annual financial report was authorised for issue by the directors of the Responsible Entity on 19 September 2018. The directors of the Responsible Entity have the power to amend and reissue the annual financial report.

### *Reclassification of units from financial liability to equity*

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the *Tax Law Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust (AMIT) regime allows the Schemes that meet certain requirements to make an irrevocable choice to be an AMIT. The Schemes' Constitutions have been amended to allow them to operate as an AMIT and the conditions to adopt the AMIT tax regime have been met. The Responsible Entity elected into the AMIT regime for the Schemes effective from 1 July 2017 and the Schemes are therefore no longer contractually obliged to pay distributions. Consequently the units in the Schemes have been reclassified from financial liability to equity from 1 July 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their units remain classified as financial liability for the year ended 30 June 2018.

## **2 Summary of significant accounting policies**

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

### **(a) Basis of preparation**

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

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

### *Compliance with International Financial Reporting Standards*

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

### *Functional and presentation currency*

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

## **2 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

#### *Use of estimates*

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial years. These estimates and associated assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### *New and amended standards adopted by the Schemes*

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Schemes.

The amendments made by AASB 2016-2 *Amendments to Australian Accounting Standard - Disclosure Initiative: Amendments to AASB 107* require disclosure of changes in liabilities arising from financing activities. The relevant information is provided in note 12.

### **(b) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published, but are not yet mandatory and have not been early adopted by the Schemes for the reporting period ended 30 June 2018. The assessment of the impact of these new standards (to the extent relevant to the Schemes) and interpretations is set out below:

#### **(i) AASB 9 *Financial Instruments* (and applicable amendments) (effective for financial reporting periods beginning on or after 1 January 2018)**

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

Management has concluded that the adoption of this standard does not have a significant impact on the recognition and measurement of the Schemes' financial instruments as they are carried at fair value through profit or loss. The Schemes do not hold debt instruments that could result in a reclassification of financial instruments to amortised cost or fair value through other comprehensive income. The derecognition rules have not been changed from the previous requirements and the Schemes do not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Schemes' investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Schemes.

#### **(ii) AASB 15 *Revenue from Contracts with Customers* (effective for financial reporting periods beginning on or after 1 January 2018)**

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

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

## 2 Summary of significant accounting policies (continued)

### (b) New accounting standards and interpretations (continued)

The Schemes' main sources of income are interest, dividends/distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. Management has concluded that the new revenue recognition rules do not have a significant impact on the Schemes' accounting policies or the amounts recognised in the financial statements.

### (c) Financial instruments

#### *(i) Classification*

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

- Financial instruments held for trading

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

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

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

The Wholesale SHARE-PLUS Long-Short Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities held at fair value through profit or loss.

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

#### *(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)**

### **(c) Financial instruments (continued)**

#### *(iii) Measurement*

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

At initial recognition, a financial asset or liability is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently all financial assets and liabilities are measured at fair value without any deduction for estimated future selling cost. Gains and losses arising from changes in the fair value measurement are included in profit or loss 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 17(d).

#### *(iv) Offsetting financial instruments*

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

### **(d) Net assets attributable to unitholders**

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

The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to unitholders. The units are carried at the redemption amount that is payable at the balance sheet date if the unitholders exercise their right to put the units back to the Schemes.

Prior to 1 July 2017, the units were classified as financial liability as the Schemes were required to distribute their distributable income in accordance with the Schemes' Constitutions. Effective from 1 July 2017, the units have been reclassified from financial liability to equity as the Schemes (except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund) satisfy all criteria for the classification of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

The Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund are an exception to the above. In accordance with AASB 132 *Financial Instruments: Presentation*, the units issued by these Schemes are puttable instruments and do not satisfy the exemption available for them to be classified as equity as they have units with different contractual features therefore the units are classified as a financial liability.

The Schemes' Constitutions have been amended and they no longer have contractual obligation to pay distributions to unitholders after electing to the AMIT regime effective from 1 July 2017.

## **2 Summary of significant accounting policies (continued)**

### **(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, margin accounts, 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 a liability on the balance sheets.

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

### **(f) Receivables**

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

### **(g) Payables**

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

### **(h) Investment income**

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

Interest income for all financial instruments held at fair value through profit or loss is recognised in profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(c).

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

Dividend income is recognised on the ex-dividend date.

Trust distributions (including distributions from cash management trusts) are recognised on the ex-distribution date.

Other income is brought to account on an accruals basis.

## 2 Summary of significant accounting policies (continued)

### (i) Expenses

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

Dividends declared on securities sold short are recorded as a short selling expense on the ex-dividend date.

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

### (j) Income tax

The Schemes are not subject to income tax provided the taxable income of the Schemes is attributed in full to their unitholders each financial year either by way of cash or reinvestment. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them effective from 1 July 2017. Prior to this date, unitholders were presently entitled to the income of the Schemes and were taxed on the distribution income paid by the Schemes.

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

### (k) Goods and Services Tax

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

### (l) Foreign currency translation

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

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

## 3 Interest Income

	Wholesale SHARE-PLUS Long-Short Fund		Wholesale Conservative Growth Fund		Diversified Real Return Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Cash and cash equivalents	2,892	3,522	112	42	179	61
Debt securities	-	-	509	500	-	-
Derivatives	-	-	-	11	-	8
<b>Total</b>	<b>2,892</b>	<b>3,522</b>	<b>621</b>	<b>553</b>	<b>179</b>	<b>69</b>

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

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

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains/(losses) on financial instruments held for trading	-	-	-	(43)	-	-	-	-	(14)	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	57	142	(5,429)	9,565	62,029	95,668	8,116	77,135	2,311	44,566
Net realised gains/(losses) on financial instruments held for trading	(29)	82	20	120	-	-	-	280	228	(60)
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	(119)	(54)	8,870	5,527	(38,585)	(61,799)	70,767	31,060	45,667	87,721
<b>Net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>(91)</b>	<b>170</b>	<b>3,461</b>	<b>15,169</b>	<b>23,444</b>	<b>33,869</b>	<b>78,883</b>	<b>108,475</b>	<b>48,192</b>	<b>132,227</b>
	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains/(losses) on financial instruments held for trading	274	-	-	-	-	-	226	(226)	-	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	31,537	51,836	11,454	209,295	(5,211)	16,658	19,000	110,800	(3,408)	10,293
Net realised gains/(losses) on financial instruments held for trading	(28)	(45)	-	-	-	-	(3,960)	1,581	(75)	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	51,561	44,254	(73,428)	(87,640)	1,764	(395)	129,850	43,807	75,988	98,533
<b>Net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>83,344</b>	<b>96,045</b>	<b>(61,974)</b>	<b>121,655</b>	<b>(3,447)</b>	<b>16,263</b>	<b>145,116</b>	<b>155,962</b>	<b>72,505</b>	<b>108,826</b>

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

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

	Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains/(losses) on financial instruments held for trading	-	-	(244)	(225)	(897)	141	705	509	83	111
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	832	547	(25,151)	64,980	(2,463)	1,762	3,913	6,947	1,706	2,781
Net realised gains/(losses) on financial instruments held for trading	-	-	422	591	(196)	538	(2,954)	(1,171)	(740)	64
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	(1,258)	189	104,665	31,061	1,042	204	(294)	(862)	2	398
<b>Net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>(426)</b>	<b>736</b>	<b>79,692</b>	<b>96,407</b>	<b>(2,514)</b>	<b>2,645</b>	<b>1,370</b>	<b>5,423</b>	<b>1,051</b>	<b>3,354</b>

	Diversified Real Return Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains/(losses) on financial instruments held for trading	93	1,254	-	-	-	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	(2,807)	3,143	10,776	17,811	(657)	3,725
Net realised gains/(losses) on financial instruments held for trading	(7,150)	(4,276)	-	-	-	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	1,913	2,009	1,166	4,145	45	(255)
<b>Net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>(7,951)</b>	<b>2,130</b>	<b>11,942</b>	<b>21,956</b>	<b>(612)</b>	<b>3,470</b>



Perpetual Wholesale Funds  
Notes to the financial statements  
For the year ended 30 June 2018  
(continued)

5 Other operating expenses

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Transaction costs	-	-	314	359	-	-	1,438	1,055	3,114	3,725
Sundry expenses	4	-	4	-	4	-	185	77	4	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>318</b>	<b>359</b>	<b>4</b>	<b>-</b>	<b>1,623</b>	<b>1,132</b>	<b>3,118</b>	<b>3,725</b>

	Wholesale Geared Australian Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Transaction costs	2,397	2,810	4,809	4,259	1,707	2,901	2,238	1,491	-	-
Performance fees	-	-	-	-	-	-	435	353	20	27
Sundry expenses	12	9	11	8	523	247	3	56	4	-
<b>Total</b>	<b>2,409</b>	<b>2,819</b>	<b>4,820</b>	<b>4,267</b>	<b>2,230</b>	<b>3,148</b>	<b>2,676</b>	<b>1,900</b>	<b>24</b>	<b>27</b>

	Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund		Diversified Real Return Fund		Wholesale Balanced Growth Fund			
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000		
Transaction costs			39	60	21	26	119	104	-	-
Mandate managers fees			59	58	16	16	-	-	-	-
Sundry expenses			1,008	-	335	-	1,788	18	4	-
<b>Total</b>			<b>1,106</b>	<b>118</b>	<b>372</b>	<b>42</b>	<b>1,907</b>	<b>122</b>	<b>4</b>	<b>-</b>

## 6 Distributions to unitholders

The distributions for the year were as follows:

	Wholesale Dynamic Fixed Income Fund				Wholesale Income Share Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	65	0.67	152	1.06	1,954	1.62	1,648	1.38
Distributions paid - December	105	0.96	72	0.47	1,581	1.28	1,782	1.46
Distributions paid - March	73	0.60	49	0.33	1,314	1.06	972	0.79
Distributions payable - June	107	0.81	244	1.87	7,693	6.16	6,206	5.02
<b>Total distributions</b>	<b>350</b>		<b>517</b>		<b>12,542</b>		<b>10,608</b>	
	Wholesale Australian Share Fund				Wholesale Concentrated Equity Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	19,673	2.03	20,897	1.96	18,832	2.89	19,141	2.85
Distributions payable - June	23,971	2.63	56,823	5.65	79,820	12.59	44,711	6.88
<b>Total distributions</b>	<b>43,644</b>		<b>77,720</b>		<b>98,652</b>		<b>63,852</b>	
	Wholesale Ethical SRI Fund				Wholesale Geared Australian Share Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	19,738	2.91	16,090	2.49	20,035	7.95	16,984	6.45
Distributions payable - June	52,095	7.88	93,931	14.16	61,787	25.05	22,021	8.66
<b>Total distributions</b>	<b>71,833</b>		<b>110,021</b>		<b>81,822</b>		<b>39,005</b>	

## 6 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Wholesale Industrial Share Fund				Wholesale International Share Fund			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid - September	11,701	0.72	11,781	0.71	-	-	-	-
Distributions paid - December	21,305	1.34	22,087	1.34	-	-	-	-
Distributions paid - March	12,460	0.80	11,403	0.71	-	-	-	-
Distributions payable - June	56,134	3.70	64,222	3.99	560	0.93	1,798	2.78
<b>Total distributions</b>	<b>101,600</b>		<b>109,493</b>		<b>560</b>		<b>1,798</b>	

	Wholesale SHARE-PLUS Long-Short Fund				Wholesale Smaller Companies Fund			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid - December	20,932	3.67	16,784	3.20	12,498	1.67	11,179	1.58
Distributions payable - June	128,247	24.62	50,927	9.73	76,580	10.50	100,219	14.45
<b>Total distributions</b>	<b>149,179</b>		<b>67,711</b>		<b>89,078</b>		<b>111,398</b>	

	Wholesale Smaller Companies Fund No.2			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid - December	1,145	0.93	989	0.87
Distributions payable - June	5,932	4.79	9,152	8.21
<b>Total distributions</b>	<b>7,077</b>		<b>10,141</b>	

## 6 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Wholesale Global Share Fund - Class W				Wholesale Global Share Fund Hedged - Class W			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid - December	1,443	0.69	504	0.22	25	0.49	8	0.16
Distributions payable - June	65,494	31.73	18,075	8.98	1,269	25.56	512	10.31
	<u>66,937</u>		<u>18,579</u>		<u>1,294</u>		<u>520</u>	
	Wholesale Global Share Fund - Class A				Wholesale Global Share Fund Hedged - Class A			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions payable - June	42,095	23.01	9,077	5.91	4,049	23.59	970	9.35
	<u>42,095</u>		<u>9,077</u>		<u>4,049</u>		<u>970</u>	
<b>Total distributions</b>	<b><u>109,032</u></b>		<b><u>27,656</u></b>		<b><u>5,343</u></b>		<b><u>1,490</u></b>	

## 6 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Wholesale Conservative Growth Fund				Wholesale Diversified Growth Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	361	0.11	315	0.09	130	0.12	-	-
Distributions paid - December	384	0.12	1,650	0.49	21	0.02	267	0.24
Distributions paid - March	2,180	0.68	378	0.11	987	0.90	141	0.13
Distributions payable - June	7,637	2.44	8,391	2.49	3,863	3.61	5,019	4.66
<b>Total distributions</b>	<b>10,562</b>		<b>10,734</b>		<b>5,001</b>		<b>5,427</b>	

	Diversified Real Return Fund - Class W				Diversified Real Return Fund - Class Z			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	498	0.17	-	-	-	-	-	-
Distributions paid - December	197	0.06	560	0.24	-	-	-	-
Distributions paid - March	2,450	0.69	68	0.03	-	-	-	-
Distributions payable - June	11,465	3.12	8,842	3.26	1	2.87	-	-
<b>Total distributions</b>	<b>14,610</b>		<b>9,470</b>		<b>1</b>		<b>-</b>	

	Wholesale Balanced Growth Fund				Wholesale Split Growth Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	8	-	1,265	0.23	-	-	-	-
Distributions payable - June	41,884	8.24	48,490	9.45	5,069	14.92	2,704	8.07
<b>Total distributions</b>	<b>41,892</b>		<b>49,755</b>		<b>5,069</b>		<b>2,704</b>	

## 7 Net assets attributable to unitholders

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

	Wholesale Dynamic Fixed Income Fund				Wholesale Income Share Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	13,035	14,298	13,310	14,539	123,703	118,530	155,325	139,474
Applications	7,066	3,840	7,267	3,963	3,357	6,260	4,441	8,005
Redemptions	(6,982)	(5,174)	(7,145)	(5,351)	(9,141)	(5,868)	(11,571)	(7,407)
Units issued upon reinvestment of distributions	119	71	122	72	7,026	4,781	8,913	5,894
Changes in net assets attributable to unitholders	-	-	-	87	-	-	-	9,359
Distributions to unitholders	-	-	(350)	-	-	-	(12,542)	-
Profit/(loss)	-	-	287	-	-	-	8,432	-
<b>Closing balance*</b>	<b>13,238</b>	<b>13,035</b>	<b>13,491</b>	<b>13,310</b>	<b>124,945</b>	<b>123,703</b>	<b>152,998</b>	<b>155,325</b>

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.

## 7 Net assets attributable to unitholders (continued)

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

	Wholesale Australian Share Fund				Wholesale Concentrated Equity Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	1,005,696	1,039,822	1,239,398	1,227,953	649,977	664,155	983,125	931,687
Applications	103,517	333,049	132,893	424,128	76,639	173,053	120,819	259,878
Redemptions	(237,376)	(456,112)	(303,703)	(581,067)	(105,622)	(209,018)	(167,112)	(315,724)
Units issued upon reinvestment of distributions	38,191	88,937	47,974	106,041	12,756	21,787	19,788	31,081
Changes in net assets attributable to unitholders	-	-	-	62,343	-	-	-	76,203
Distributions to unitholders	-	-	(43,644)	-	-	-	(98,652)	-
Profit/(loss)	-	-	110,428	-	-	-	111,585	-
<b>Closing balance*</b>	<b>910,028</b>	<b>1,005,696</b>	<b>1,183,346</b>	<b>1,239,398</b>	<b>633,750</b>	<b>649,977</b>	<b>969,553</b>	<b>983,125</b>

	Wholesale Ethical SRI Fund				Wholesale Geared Australian Share Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	663,212	561,111	1,301,681	1,049,981	254,205	277,263	550,175	528,312
Applications	172,369	405,363	345,517	826,282	72,480	114,148	167,750	250,327
Redemptions	(204,000) <sup>1</sup>	(326,271)	(409,794) <sup>1</sup>	(665,552)	(87,226)	(143,778)	(201,690)	(316,854)
Units issued upon reinvestment of distributions	29,756	23,009	58,822	43,695	7,230	6,572	16,894	13,567
Changes in net assets attributable to unitholders	-	-	-	47,275	-	-	-	74,823
Distributions to unitholders	-	-	(71,833)	-	-	-	(81,822)	-
Profit/(loss)	-	-	82,672	-	-	-	104,167	-
<b>Closing balance*</b>	<b>865,337</b>	<b>663,212</b>	<b>1,716,859</b>	<b>1,301,681</b>	<b>246,689</b>	<b>254,205</b>	<b>555,474</b>	<b>550,175</b>

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.

<sup>1</sup> Included in redemptions for the Wholesale Ethical SRI Fund was an in specie transfer of stock of \$48,506,418 in exchange for 23,460,582 units in the Scheme.

## 7 Net assets attributable to unitholders (continued)

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

	Wholesale Industrial Share Fund				Wholesale International Share Fund			
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	1,611,270	1,653,414	2,100,974	1,994,189	64,619	75,645	118,917	118,192
Applications	241,745	640,894	320,268	827,274	3,465	11,690	6,920	19,212
Redemptions	(349,219)	(702,674)	(462,878)	(908,085)	(7,968)	(22,845)	(15,771)	(38,208)
Units issued upon reinvestment of distributions	12,715	19,636	16,729	24,212	211	129	389	202
Changes in net assets attributable to unitholders	-	-	-	163,384	-	-	-	19,519
Distributions to unitholders	-	-	(101,600)	-	-	-	(560)	-
Profit/(loss)	-	-	120,894	-	-	-	17,086	-
<b>Closing balance*</b>	<b>1,516,511</b>	<b>1,611,270</b>	<b>1,994,387</b>	<b>2,100,974</b>	<b>60,327</b>	<b>64,619</b>	<b>126,981</b>	<b>118,917</b>

	Wholesale SHARE-PLUS Long-Short Fund				Wholesale Smaller Companies Fund			
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	523,172	457,999	1,376,776	1,099,871	693,366	679,316	827,842	802,409
Applications	154,872	262,392	427,851	676,192	59,885	89,093	75,413	112,348
Redemptions	(161,020)	(200,871)	(447,844)	(520,688)	(101,794)	(127,963)	(128,394)	(161,140)
Units issued upon reinvestment of distributions	3,907	3,652	10,578	8,945	78,189	52,920	94,225	62,991
Changes in net assets attributable to unitholders	-	-	-	112,456	-	-	-	11,234
Distributions to unitholders	-	-	(149,179)	-	-	-	(89,078)	-
Profit/(loss)	-	-	175,360	-	-	-	88,541	-
<b>Closing balance*</b>	<b>520,931</b>	<b>523,172</b>	<b>1,393,542</b>	<b>1,376,776</b>	<b>729,646</b>	<b>693,366</b>	<b>868,549</b>	<b>827,842</b>

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.



## 7 Net assets attributable to unitholders (continued)

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

	<b>Wholesale Smaller Companies Fund No.2</b>			
	<b>30 June 2018 Units '000</b>	30 June 2017 Units '000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance*	111,465	102,416	73,635	67,110
Applications	27,974	19,058	19,638	13,355
Redemptions	(27,663)	(17,785)	(19,356)	(12,515)
Units issued upon reinvestment of distributions	11,965	7,776	7,989	5,143
Changes in net assets attributable to unitholders	-	-	-	542
Distributions to unitholders	-	-	(7,077)	-
Profit/(loss)	-	-	7,906	-
<b>Closing balance*</b>	<b>123,741</b>	111,465	<b>82,735</b>	73,635

	<b>Wholesale Global Share Fund</b>				<b>Wholesale Global Share Fund Hedged</b>			
	<b>30 June 2018 Units '000</b>	30 June 2017 Units '000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000	<b>30 June 2018 Units '000</b>	30 June 2017 Units '000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	354,733	364,113	524,743	471,980	15,335	10,089	17,820	10,170
Applications	79,832	52,401	123,129	70,912	7,189	6,341	8,970	6,987
Redemptions	(62,167)	(66,414)	(100,281)	(95,358)	(434)	(1,102)	(536)	(1,220)
Units issued upon reinvestment of distributions	16,897	4,633	25,709	6,249	34	7	40	7
Changes in net assets attributable to unitholders	-	-	(22,008)	70,960	-	-	(3,174)	1,876
<b>Closing balance*</b>	<b>389,295</b>	354,733	<b>551,292</b>	524,743	<b>22,124</b>	15,335	<b>23,120</b>	17,820

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.

## 7 Net assets attributable to unitholders (continued)

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

	Wholesale Conservative Growth Fund				Wholesale Diversified Growth Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	336,886	336,716	379,465	371,841	107,749	108,096	121,398	119,019
Applications	58,829	76,686	67,537	87,319	17,410	31,871	20,083	36,481
Redemptions	(90,528)	(90,061)	(103,932)	(101,841)	(22,043)	(36,536)	(25,518)	(41,786)
Units issued upon reinvestment of distributions	8,216	13,545	9,296	14,995	3,785	4,318	4,282	4,766
Changes in net assets attributable to unitholders	-	-	-	7,151	-	-	-	2,918
Distributions to unitholders	-	-	(10,562)	-	-	-	(5,001)	-
Profit/(loss)	-	-	15,640	-	-	-	6,973	-
<b>Closing balance*</b>	<b>313,403</b>	<b>336,886</b>	<b>357,444</b>	<b>379,465</b>	<b>106,901</b>	<b>107,749</b>	<b>122,217</b>	<b>121,398</b>

	Diversified Real Return Fund				Wholesale Balanced Growth Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance*	271,375	176,970	288,681	183,122	512,948	546,481	725,592	758,525
Applications	131,660	112,801	143,262	120,868	44,968	124,324	65,947	179,402
Redemptions	(42,880)	(24,296)	(46,544)	(25,982)	(66,355)	(177,919)	(97,235)	(257,681)
Units issued upon reinvestment of distributions	7,353	5,900	7,858	6,121	16,976	20,062	24,014	27,879
Changes in net assets attributable to unitholders	-	-	(821)	4,552	-	-	-	17,467
Distributions to unitholders	-	-	-	-	-	-	(41,892)	-
Profit/(loss)	-	-	-	-	-	-	50,320	-
<b>Closing balance*</b>	<b>367,508</b>	<b>271,375</b>	<b>392,436</b>	<b>288,681</b>	<b>508,537</b>	<b>512,948</b>	<b>726,746</b>	<b>725,592</b>

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.

## 7 Net assets attributable to unitholders (continued)

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

	<b>Wholesale Split Growth Fund</b>			
	<b>30 June 2018 Units '000</b>	30 June 2017 Units '000	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance*	<b>33,489</b>	37,292	<b>44,085</b>	45,629
Applications	<b>4,472</b>	6,623	<b>6,223</b>	8,637
Redemptions	<b>(5,270)</b>	(12,061)	<b>(7,305)</b>	(15,709)
Units issued upon reinvestment of distributions	<b>1,295</b>	1,635	<b>1,705</b>	2,000
Changes in net assets attributable to unitholders	-	-	-	3,528
Distributions to unitholders	-	-	<b>(5,069)</b>	-
Profit/(loss)	-	-	<b>4,626</b>	-
<b>Closing balance*</b>	<b>33,986</b>	33,489	<b>44,265</b>	44,085

\* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017; except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which their classification of Net assets attributable to unitholders remain classified as financial liability as at 30 June 2018.

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes except for the Wholesale Global Share Fund, Wholesale Global Share Fund Hedged and Diversified Real Return Fund which have two unitholders of units in the Schemes - Class W for wholesale investors, Class A and Class Z for retail investors.

### *Capital risk management*

The Schemes consider their net assets attributable to unitholders as capital. 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.

## 8 Financial assets held at fair value through profit or loss

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Designated at fair value through profit or loss</b>										
Equities	-	-	150,351	147,137	-	-	989,091	955,041	1,226,231	1,268,769
Unlisted unit trusts	12,129	12,778	-	-	1,147,513	1,217,692	35,029	63,968	-	-
	<b>12,129</b>	<b>12,778</b>	<b>150,351</b>	<b>147,137</b>	<b>1,147,513</b>	<b>1,217,692</b>	<b>1,024,120</b>	<b>1,019,009</b>	<b>1,226,231</b>	<b>1,268,769</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>12,129</b>	<b>12,778</b>	<b>150,351</b>	<b>147,137</b>	<b>1,147,513</b>	<b>1,217,692</b>	<b>1,024,120</b>	<b>1,019,009</b>	<b>1,226,231</b>	<b>1,268,769</b>

	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Held for trading</b>										
Futures	274	-	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	150	-	-
	<b>274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-</b>
<b>Designated at fair value through profit or loss</b>										
Equities	1,299,959	1,304,582	-	-	-	-	1,615,884	1,367,497	857,013	844,247
Unlisted unit trusts	-	-	1,906,571	2,052,113	106,082	114,475	100	1,000	70,016	76,400
	<b>1,299,959</b>	<b>1,304,582</b>	<b>1,906,571</b>	<b>2,052,113</b>	<b>106,082</b>	<b>114,475</b>	<b>1,615,984</b>	<b>1,368,497</b>	<b>927,029</b>	<b>920,647</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>1,300,233</b>	<b>1,304,582</b>	<b>1,906,571</b>	<b>2,052,113</b>	<b>106,082</b>	<b>114,475</b>	<b>1,615,984</b>	<b>1,368,647</b>	<b>927,029</b>	<b>920,647</b>



Perpetual Wholesale Funds  
Notes to the financial statements  
For the year ended 30 June 2018  
(continued)

**9 Financial liabilities held at fair value through profit or loss**

	Wholesale Ethical SRI Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Held for trading</b>								
Futures	14	-	-	-	-	-	-	-
Options	-	-	-	390	-	-	-	-
Foreign exchange forward contracts	-	-	-	2	-	254	682	14
	<b>14</b>	-	-	<b>392</b>	-	<b>254</b>	<b>682</b>	<b>14</b>
<b>Designated at fair value through profit or loss</b>								
Equity securities sold short	-	-	289,237	224,064	-	-	-	-
	-	-	<b>289,237</b>	<b>224,064</b>	-	-	-	-
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>14</b>	-	<b>289,237</b>	<b>224,456</b>	-	<b>254</b>	<b>682</b>	<b>14</b>

	Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund		Diversified Real Return Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Held for trading</b>						
Futures	249	96	61	52	1,709	494
Options	350	-	168	-	1,124	-
Swaps	3,687	-	1,215	-	8,480	-
Foreign exchange forward contracts	9	266	75	202	583	869
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>4,295</b>	<b>362</b>	<b>1,519</b>	<b>254</b>	<b>11,896</b>	<b>1,363</b>

## 10 Receivables

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Dividends/distributions receivable	123	162	1,191	911	59,803	78,529	5,214	5,535	11,804	8,029
Interest receivable	-	-	-	1	-	-	1	-	5	5
Applications receivable	70	1	-	-	239	804	1,101	999	1,589	1,893
Other receivables	-	-	45	46	-	-	245	234	340	370
<b>Total receivables</b>	<b>193</b>	<b>163</b>	<b>1,236</b>	<b>958</b>	<b>60,042</b>	<b>79,333</b>	<b>6,561</b>	<b>6,768</b>	<b>13,738</b>	<b>10,297</b>

	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Dividends/distributions receivable	7,577	7,000	144,169	113,220	21,569	6,346	8,537	7,793	1,998	2,540
Interest receivable	74	1	-	-	-	-	105	240	1	-
Applications receivable	527	1,194	956	3,563	8	31	1,423	4,757	593	611
Other receivables	303	237	260	303	29	27	447	272	246	248
<b>Total receivables</b>	<b>8,481</b>	<b>8,432</b>	<b>145,385</b>	<b>117,086</b>	<b>21,606</b>	<b>6,404</b>	<b>10,512</b>	<b>13,062</b>	<b>2,838</b>	<b>3,399</b>

Perpetual Wholesale Funds  
Notes to the financial statements  
For the year ended 30 June 2018  
(continued)

10 Receivables (continued)

	Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Dividends/distributions receivable	7,194	8,952	510	433	4,922	1,003	9,859	8,789	4,679	4,030
Interest receivable	-	-	1	1	-	-	-	-	-	-
Applications receivable	66	21	269	400	-	110	184	791	127	74
Other receivables	-	-	737	340	6	12	30	31	11	11
<b>Total receivables</b>	<b>7,260</b>	<b>8,973</b>	<b>1,517</b>	<b>1,174</b>	<b>4,928</b>	<b>1,125</b>	<b>10,073</b>	<b>9,611</b>	<b>4,817</b>	<b>4,115</b>

	Diversified Real Return Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Dividends/distributions receivable	16,186	7,950	32,116	42,186	5,159	2,737
Applications receivable	459	504	111	336	46	22
Other receivables	35	24	-	-	10	9
<b>Total receivables</b>	<b>16,680</b>	<b>8,478</b>	<b>32,227</b>	<b>42,522</b>	<b>5,215</b>	<b>2,768</b>



## 11 Payables

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Responsible Entity's fees payable	-	-	138	141	-	-	1,003	1,004	1,393	1,435
Redemptions payable	13	2,368	51	-	819	1,004	1,164	1,145	7,737	1,163
Other payables	-	-	-	-	-	-	20	-	-	-
<b>Total payables</b>	<b>13</b>	<b>2,368</b>	<b>189</b>	<b>141</b>	<b>819</b>	<b>1,004</b>	<b>2,187</b>	<b>2,149</b>	<b>9,130</b>	<b>2,598</b>

	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Responsible Entity's fees payable	1,311	1,466	479	440	139	133	1,834	1,618	1,041	1,002
Redemptions payable	1,691	481	2,617	1,836	207	228	1,589	2,271	963	303
Other payables	-	-	-	-	-	-	1,091	1,231	-	-
<b>Total payables</b>	<b>3,002</b>	<b>1,947</b>	<b>3,096</b>	<b>2,276</b>	<b>346</b>	<b>361</b>	<b>4,514</b>	<b>5,120</b>	<b>2,004</b>	<b>1,305</b>

Perpetual Wholesale Funds  
Notes to the financial statements  
For the year ended 30 June 2018  
(continued)

**11 Payables (continued)**

	Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	-	-	263	202	22	12	141	162
Performance fees payable	-	-	-	379	-	29	-	-
Redemptions payable	52	-	820	433	-	-	1,002	440
Other payables	-	-	6	-	-	-	-	-
<b>Total payables</b>	<b>52</b>	<b>-</b>	<b>1,089</b>	<b>1,014</b>	<b>22</b>	<b>41</b>	<b>1,143</b>	<b>602</b>

	Wholesale Diversified Growth Fund		Diversified Real Return Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	54	55	161	117	-	-	46	45
Redemptions payable	180	171	147	4	307	1,253	27	10
<b>Total payables</b>	<b>234</b>	<b>226</b>	<b>308</b>	<b>121</b>	<b>307</b>	<b>1,253</b>	<b>73</b>	<b>55</b>

**12 Borrowings and interest payables**

	Wholesale Geared Australian Share Fund	
	30 June 2018	30 June 2017
	\$'000	\$'000
Bank overdraft	687,669	729,871
Loan interest payable	1,387	1,293
<b>Total borrowings and interest payables</b>	<b>689,056</b>	<b>731,164</b>

The carrying amount of the bank overdraft represents amount drawn under a cash advance facility, which approximates the fair value. This arrangement is available for Wholesale Geared Australian Share Fund for the purpose of gearing the investments of the Scheme.

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

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>										
Operating profit/(loss)	287	604	8,432	19,967	110,428	140,063	111,585	140,055	82,672	157,296
(Increase)/decrease in dividends/distributions receivable	39	146	(280)	(125)	18,726	2,991	321	1,428	(3,775)	(1,864)
(Increase)/decrease in interest receivable	-	1	1	19	-	-	(1)	2	-	78
(Increase)/decrease in other receivables	-	1	1	(13)	-	-	(11)	(75)	30	(175)
Increase/(decrease) in payables	-	(2)	(3)	(3)	-	-	(1)	(12)	(42)	270
Net (gains)/losses on financial instruments held at fair value through profit or loss	91	(170)	(3,461)	(15,169)	(23,444)	(33,869)	(78,883)	(108,475)	(48,192)	(132,227)
Net foreign exchange (gains)/losses	-	-	-	-	-	-	38	-	165	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>417</b>	<b>580</b>	<b>4,690</b>	<b>4,676</b>	<b>105,710</b>	<b>109,185</b>	<b>33,048</b>	<b>32,923</b>	<b>30,858</b>	<b>23,378</b>
<b>(b) Components of cash and cash equivalents</b>										
of cash flows is reconciled to the balance sheets as follows:										
Cash at bank	1,289	581	8,620	12,659	-	-	15,739	2,478	120,519	120,614
Margin accounts	-	-	43	43	-	-	-	-	138	-
<b>Total cash and cash equivalents</b>	<b>1,289</b>	<b>581</b>	<b>8,663</b>	<b>12,702</b>	<b>-</b>	<b>-</b>	<b>15,739</b>	<b>2,478</b>	<b>120,657</b>	<b>120,614</b>
<b>(c) Non-cash financing activities</b>										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	122	72	8,913	5,894	47,974	106,041	19,788	31,081	58,822	43,695
<b>(d) Non-cash investing activities</b>										
During the year, an in specie transfer of stock occurred in relation to a transfer of 23,460,582 units between the classes of the Scheme	-	-	-	-	-	-	-	-	48,506	-

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

	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>										
Operating profit/(loss)	120,425	128,790	120,894	272,877	17,086	21,317	175,362	180,167	88,541	122,632
(Increase)/decrease in dividends/distributions receivable	(577)	5	(30,949)	80,112	(15,223)	(4,505)	(744)	(1,426)	542	(1,561)
(Increase)/decrease in interest receivable	(73)	(1)	-	-	-	-	135	127	(1)	3
(Increase)/decrease in other receivables	(66)	(21)	43	(156)	(2)	(8)	(175)	(47)	2	(86)
Increase/(decrease) in payables	(155)	167	39	75	6	1	76	656	39	43
Net (gains)/losses on financial instruments held at fair value through profit or loss	(83,344)	(96,045)	61,974	(121,655)	3,447	(16,263)	(145,116)	(155,962)	(72,505)	(108,826)
Net foreign exchange (gains)/losses	49	15	-	-	-	-	620	1,034	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>36,259</b>	<b>32,910</b>	<b>152,001</b>	<b>231,253</b>	<b>5,314</b>	<b>542</b>	<b>30,158</b>	<b>24,549</b>	<b>16,618</b>	<b>12,205</b>
<b>(b) Components of cash and cash equivalents</b>										
of cash flows is reconciled to the balance sheets as follows:										
Bank overdraft	(687,669)	(729,871)	-	-	-	-	-	-	-	-
Cash at bank	4,237	271	-	-	-	-	191,697	271,303	15,347	3,443
Margin accounts	725	-	-	-	-	-	971	2,401	-	-
<b>Total cash and cash equivalents/(bank overdraft)</b>	<b>(682,707)</b>	<b>(729,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,668</b>	<b>273,704</b>	<b>15,347</b>	<b>3,443</b>
<b>(c) Non-cash financing activities</b>										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	16,894	13,567	16,729	24,212	389	202	10,578	8,945	94,225	62,991
<b>(d) Reconciliation of liabilities arising from financing activities</b>										
Bank overdraft at the beginning of the year	729,871	656,017	-	-	-	-	-	-	-	-
Cash flows	(42,202)	73,854	-	-	-	-	-	-	-	-
Bank overdraft at the end of the year	687,669	729,871	-	-	-	-	-	-	-	-

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

	Wholesale Smaller Companies Fund No.2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>										
Operating profit/(loss)	7,906	10,683	87,082	98,639	2,169	3,366	15,696	17,895	6,995	8,350
(Increase)/decrease in dividends/distributions receivable	1,758	(3,506)	(77)	(232)	(3,919)	(839)	(1,070)	3,580	(649)	645
(Increase)/decrease in interest receivable	-	-	-	17	-	-	-	3	-	2
(Increase)/decrease in other receivables	-	-	(382)	(161)	6	(10)	1	(8)	-	(3)
Increase/(decrease) in payables	-	-	(318)	412	(19)	36	(21)	1	(1)	1
Net (gains)/losses on financial instruments held at fair value through profit or loss	426	(736)	(79,692)	(96,407)	2,514	(2,645)	(1,370)	(5,423)	(1,051)	(3,354)
Net foreign exchange (gains)/losses	-	-	(2,221)	2,985	110	174	(145)	199	(57)	88
<b>Net cash inflow/(outflow) from operating activities</b>	<b>10,090</b>	<b>6,441</b>	<b>4,392</b>	<b>5,253</b>	<b>861</b>	<b>82</b>	<b>13,091</b>	<b>16,247</b>	<b>5,237</b>	<b>5,729</b>
<b>(b) Components of cash and cash equivalents</b>										
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as										
Cash at bank	-	-	85,048	110,993	-	-	6,251	4,653	3,030	2,030
Margin accounts	-	-	1,205	-	-	-	4,683	894	1,625	433
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>86,253</b>	<b>110,993</b>	<b>-</b>	<b>-</b>	<b>10,934</b>	<b>5,547</b>	<b>4,655</b>	<b>2,463</b>
<b>(c) Non-cash financing activities</b>										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	7,989	5,143	25,709	6,249	40	7	9,296	14,995	4,282	4,766

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

	Diversified Real Return Fund		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>						
Operating profit/(loss)	13,865	14,118	50,320	67,222	4,626	6,232
(Increase)/decrease in dividends/distributions receivable	(8,236)	(3,058)	10,070	11,655	(2,422)	613
(Increase)/decrease in interest receivable	-	5	-	-	-	-
(Increase)/decrease in other receivables	(11)	(15)	-	-	(1)	(2)
Increase/(decrease) in payables	44	48	-	-	1	(2)
Net (gains)/losses on financial instruments held at fair value through profit or loss	7,951	(2,130)	(11,942)	(21,956)	612	(3,470)
Net foreign exchange (gains)/losses	(345)	172	-	-	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>13,268</b>	<b>9,140</b>	<b>48,448</b>	<b>56,921</b>	<b>2,816</b>	<b>3,371</b>
<b>(b) Components of cash and cash equivalents</b>						
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	6,026	8,494	-	-	-	-
Margin accounts	13,693	3,653	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>19,719</b>	<b>12,147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(c) Non-cash financing activities</b>						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	7,858	6,121	24,014	27,879	1,705	2,000

**14 Remuneration of auditors**

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Amount received or due and receivable by KPMG:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audit and review of financial report and compliance plan	<b>13,274</b>	9,143	<b>17,843</b>	17,405	<b>13,504</b>	10,938	<b>23,300</b>	22,483	<b>23,300</b>	22,483

	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Amount received or due and receivable by KPMG:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Audit and review of financial report and compliance plan	<b>23,300</b>	22,483	<b>13,504</b>	10,938	<b>13,504</b>	10,938	<b>23,300</b>	22,483	<b>23,300</b>	22,483





## **15 Related party transactions**

### **Responsible Entity**

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

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

### **Key management personnel**

#### (a) Directors

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

D Lane (appointed 20 April 2017)

G Larkins (appointed 7 January 2013)

M Smith (appointed 3 November 2016)

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

#### (b) Other key management personnel

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

### **Key management personnel unitholdings**

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

There were no material balances involving key management personnel's interest in the Schemes at the reporting date.

## 15 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 calculated by reference to the net asset value of the relevant unit classes of the Schemes offering, multi units classes or the net asset values of the Schemes offering a single unit class (except for the Wholesale Geared Australian Share Fund and Wholesale SHARE-PLUS Long-Short Fund which is a percentage of the gross asset value and sum of the long and short positions respectively). Where the Schemes invest into other Schemes, the Responsible Entity's Fees are calculated after rebating management fees charged by the underlying Schemes.

Schemes	Responsible Entity's fees % p.a.
Wholesale Dynamic Fixed Income Fund	0.550
Wholesale Income Share Fund	0.990
Wholesale Australian Share Fund	0.990
Wholesale Concentrated Equity Fund	1.100
Wholesale Ethical SRI Fund	1.175
Wholesale Geared Australian Share Fund	1.170
Wholesale Industrial Share Fund	0.990
Wholesale International Share Fund	1.226
Wholesale SHARE-PLUS Long-Short Fund	0.990
Wholesale Smaller Companies Fund	1.250
Wholesale Smaller Companies Fund No. 2	1.250
Wholesale Global Share Fund - Class A	1.100
Wholesale Global Share Fund Hedged - Class A	1.100
Wholesale Conservative Growth Fund	0.900
Wholesale Diversified Growth Fund	0.960
Diversified Real Return Fund - Class W	0.850
Diversified Real Return Fund - Class Z	0.350
Wholesale Balanced Growth Fund	1.040
Wholesale Split Growth Fund	1.160

**15 Related party transactions (continued)**

**Responsible Entity's fees and other transactions (continued)**

<b>Schemes</b>	<b>Responsible Entity's fees % p.a.</b>
Wholesale Global Share Fund - Class W	0.000
Wholesale Global Share Fund Hedged - Class W	0.000

The Responsible Entity is also entitled to receive performance fees. The Wholesale SHARE-PLUS Long-Short Fund has a performance fee of 13.98% p.a. of the difference between the Scheme's daily return and its performance hurdle multiplied by the Scheme's adjusted net asset value subject to the conditions in the offer document being met. The Perpetual Wholesale Global Share Fund (Class A) and the Perpetual Wholesale Global Share Fund Hedged (Class A) have a performance fee of 15% between the unit class' daily return and their performance hurdle multiplied by the unit class' adjusted net asset value subject to the conditions in the offer document being met. The Perpetual Diversified Real Return Fund (Class Z) has a performance fee of 10% between the unit class' daily return and its performance hurdle multiplied by the unit class' adjusted net asset value subject to the conditions in the offer document being met.

**15 Related party transactions (continued)**

**Responsible Entity's fees and other transactions (continued)**

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

	<b>Wholesale Dynamic Fixed Income Fund</b>		<b>Wholesale Income Share Fund</b>		<b>Wholesale Australian Share Fund</b>		<b>Wholesale Concentrated Equity Fund</b>		<b>Wholesale Ethical SRI Fund</b>	
	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable	<b>3,867</b>	21,680	<b>1,586,419</b>	1,511,323	<b>1</b>	32	<b>11,354,260</b>	11,354,585	<b>16,169,750</b>	15,179,770
Fees payable to the Responsible Entity	<b>357</b>	225	<b>138,462</b>	140,604	-	-	<b>1,003,205</b>	1,004,123	<b>1,392,650</b>	1,435,238
Responsible Entity's rebates received and receivable	-	-	-	-	<b>5,945</b>	20,251	-	-	-	-

	<b>Wholesale Geared Australian Share Fund</b>		<b>Wholesale Industrial Share Fund</b>		<b>Wholesale International Share Fund</b>		<b>Wholesale SHARE-PLUS Long-Short Fund</b>		<b>Wholesale Smaller Companies Fund</b>	
	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017	<b>30 June 2018</b>	30 June 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable	<b>14,810,098</b>	15,686,406	<b>20,877,946</b>	21,260,990	<b>1,519,786</b>	1,464,712	<b>19,946,258</b>	17,560,611	<b>11,757,490</b>	11,204,110
Fees payable to the Responsible Entity	<b>1,310,866</b>	1,465,790	<b>478,754</b>	440,361	<b>138,838</b>	133,280	<b>1,834,337</b>	1,618,041	<b>1,040,827</b>	1,002,064



**15 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:

	<b>Number of units held 30 June 2018 '000</b>	<b>Interest held 30 June 2018 %</b>	<b>Number of units acquired 30 June 2018 '000</b>	<b>Number of units disposed 30 June 2018 '000</b>	<b>Distributions paid/payable 30 June 2018 \$'000</b>	<b>Number of units held 30 June 2017 '000</b>	<b>Interest held 30 June 2017 %</b>	<b>Number of units acquired 30 June 2017 '000</b>	<b>Number of units disposed 30 June 2017 '000</b>	<b>Distributions paid/payable 30 June 2017 \$'000</b>
<b>Wholesale Dynamic Fixed Income Fund</b>										
<b>Unitholders</b>										
Perpetual Limited	2,553	19.3	-	-	78	2,553	19.6	-	-	95
Perpetual WealthFocus Investment Advantage Fund	1,625	12.3	2,103	1,341	46	863	6.6	960	192	19
<b>Wholesale Income Share Fund</b>										
<b>Unitholders</b>										
The Trust Company Philanthropy Fund	101,106	80.9	8,493	6,377	10,116	98,990	80.0	6,341	-	8,462
<b>Wholesale Australian Share Fund</b>										
<b>Unitholders</b>										
Perpetual Super Wrap	651	0.1	651	-	30	-	-	-	-	-

**15 Related party transactions (continued)**

**Related party unitholdings (continued)**

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

	<b>Number of</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	Number of units held 30 June 2017 '000	Interest held 30 June 2017 %	<b>Number of</b>	<b>Number of</b>	Distributions paid/payable 30 June 2017 \$'000
	<b>units held</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>paid/payable</b>			<b>units</b>	<b>units</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>			<b>30 June</b>	<b>30 June</b>	
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>			<b>2017</b>	<b>2017</b>	
	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>			<b>'000</b>	<b>'000</b>	<b>'000</b>
<b>Wholesale Concentrated Equity Fund</b>										
<b>Unitholders</b>										
Perpetual Limited	-	-	-	-	-	-	-	8	82	-
Perpetual WealthFocus Investment Advantage Fund	22,893	3.6	3,926	6,700	3,589	25,667	3.9	8,552	6,690	2,463
Perpetual's Select Superannuation Fund	9,745	1.5	1,313	2,039	1,524	10,471	1.6	1,793	1,188	1,019
Perpetual Super Wrap	711	0.1	135	22	109	598	0.1	116	129	59
<b>Wholesale Ethical SRI Fund</b>										
<b>Unitholders</b>										
Perpetual Limited	365	0.1	199	-	29	166	-	1,237	3,233	28
Perpetual WealthFocus Investment Advantage Fund	36,652	5.5	9,594	12,076	4,062	39,134	5.9	11,985	8,385	6,528
Perpetual Super Wrap	778	0.1	69	82	84	791	0.1	205	1	128

**15 Related party transactions (continued)**

**Related party unitholdings (continued)**

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

	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Wholesale Geared Australian Share Fund</b>										
<b>Unitholders</b>										
Perpetual WealthFocus Investment Advantage Fund	48,119	19.5	15,247	18,155	15,986	51,027	20.1	12,590	14,072	7,737
<b>Wholesale Industrial Share Fund</b>										
<b>Unitholders</b>										
Perpetual Limited	-	-	8	279	-	271	-	22	-	18
Perpetual Super Wrap	107	-	15	63	7	155	-	5	15	11



## 15 Related party transactions (continued)

### Related party unitholdings (continued)

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

Wholesale SHARE-PLUS Long-Short Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Unitholders</b>										
Perpetual Limited	304	0.1	21	172	86	455	0.1	405	198	59
Perpetual WealthFocus Investment Advantage Fund	19,513	3.7	8,585	5,133	5,481	16,061	3.1	6,422	6,505	2,081
Perpetual Super Wrap	22	-	38	30	7	14	-	11	30	2
<b>Wholesale Smaller Companies Fund</b>										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Unitholders</b>										
Perpetual Balanced Growth Fund No.2	35,332	4.8	4,743	4,738	4,316	35,327	5.1	3,234	2,435	5,658
Perpetual WealthFocus Investment Advantage Fund	310,591	42.6	55,749	43,318	37,886	298,160	43.0	44,741	42,705	47,948
Perpetual Wholesale Conservative Growth Fund	5,076	0.7	606	-	616	4,470	0.6	519	1,537	740
Perpetual Wholesale Diversified Growth Fund	2,944	0.4	352	-	357	2,592	0.4	257	381	421
Perpetual Diversified Real Return Fund	11,068	1.5	3,262	-	1,331	7,806	1.1	2,542	-	1,236
Perpetual Wholesale Smaller Companies Fund No. 2	68,546	9.4	22,580	15,967	8,335	61,933	8.9	15,983	11,096	9,946
Perpetual's Pooled Superannuation Trust	5,783	0.8	806	1,000	7,125	5,977	0.9	703	1,926	975
Perpetual Super Wrap	737	0.1	678	2	89	61	-	7	-	10

## 15 Related party transactions (continued)

### Related party unitholdings (continued)

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

Wholesale Global Share Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2018	2018	2018	2018	2018	2017	2017	2017	2017	2017	2017
'000	%	'000	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Unitholders - Class W</b>										
Perpetual Limited	-	-	-	-	-	-	-	-	15,271	34
Perpetual Balanced Growth Fund No.2	55,203	15.8	9,725	3,525	17,860	49,003	15.2	825	-	4,512
Perpetual Diversified Real Return Fund	19,534	5.6	11,096	-	6,296	8,438	2.6	8,438	-	776
Perpetual Private Investment Funds - International Share Fund	30,437	8.7	2,666	17,377	9,961	45,148	14.0	6,819	1,158	4,160
Perpetual Wholesale Conservative Growth Fund	6,281	1.8	1,269	-	2,030	5,012	1.6	84	-	462
Perpetual Wholesale Diversified Growth Fund	3,586	1.0	661	553	1,162	3,478	1.1	67	468	321
Perpetual Wholesale Global Share Fund Hedged	15,510	4.4	8,143	3,802	5,016	11,169	3.5	5,749	1,961	1,027
Perpetual Wholesale International Share Fund	67,970	19.4	7,537	10,199	22,057	70,632	21.9	4,266	16,527	6,519
Perpetual Wholesale Split Growth Fund	7,869	2.2	1,457	1,896	2,555	8,308	2.6	824	2,645	767
<b>Unitholders - Class A</b>										
Perpetual Limited	566	0.3	301	118	130	383	0.3	46	-	23
Perpetual's International Share Fund	110,139	60.2	16,586	17,117	25,348	110,670	72.1	8,139	22,662	6,543

**15 Related party transactions (continued)**

**Related party unitholdings (continued)**

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

	<b>Number of units held 30 June 2018 '000</b>	<b>Interest held 30 June 2018 %</b>	<b>Number of units acquired 30 June 2018 '000</b>	<b>Number of units disposed 30 June 2018 '000</b>	<b>Distributions paid/payable 30 June 2018 \$'000</b>	<b>Number of units held 30 June 2017 '000</b>	<b>Interest held 30 June 2017 %</b>	<b>Number of units acquired 30 June 2017 '000</b>	<b>Number of units disposed 30 June 2017 '000</b>	<b>Distributions paid/payable 30 June 2017 \$'000</b>
<b>Wholesale Global Share Fund Hedged</b>										
<b>Unitholders - Class W</b>										
Perpetual Limited	4,964	22.7	-	-	1,293	4,964	32.6	-	-	520
<b>Unitholders - Class A</b>										
Perpetual Limited	4,964	28.9	-	-	1,171	4,964	47.9	-	-	464
<b>Wholesale Conservative Growth Fund</b>										
<b>Unitholders</b>										
Perpetual WealthFocus Investment Advantage Fund	20,105	6.4	2,504	4,224	675	21,825	6.5	4,880	5,654	704
Perpetual Super Wrap	1,253	0.4	14	27	42	1,266	0.4	30	7	40
Perpetual WealthFocus Superannuation Fund	70,294	22.4	14,007	20,738	2,387	77,025	22.9	14,248	14,384	2,471

## 15 Related party transactions (continued)

### Related party unitholdings (continued)

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

Wholesale Diversified Growth Fund	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Unitholders</b>										
Perpetual WealthFocus Investment Advantage Fund	7,614	7.1	1,930	985	350	6,669	6.2	1,826	1,623	336
Perpetual Super Wrap	288	0.3	-	27	14	315	0.3	-	5	16
Perpetual WealthFocus Superannuation Fund	51,284	48.0	8,239	13,047	2,417	56,092	52.1	10,690	12,456	2,830
<b>Diversified Real Return Fund</b>										
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
<b>Unitholders - Class W</b>										
Perpetual Limited	1,011	0.3	416	-	40	595	0.2	407	-	21
Perpetual Balanced Growth Fund No.2	117,282	31.9	4,761	10,199	4,747	122,720	45.2	19,711	4,665	4,309
Perpetual WealthFocus Investment Advantage Fund	8,117	2.2	5,013	1,761	320	4,865	1.8	4,817	644	163
Perpetual Wholesale Conservative Growth Fund	36,871	10.0	1,423	905	1,487	36,353	13.4	15,098	1,390	1,285
Perpetual Wholesale Diversified Growth Fund	11,948	3.3	1,378	1,189	482	11,759	4.3	2,293	278	416

**15 Related party transactions (continued)**

**Related party unitholdings (continued)**

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

<b>Wholesale Balanced Growth Fund</b>	<b>Number of</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>
	<b>units held</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>paid/payable</b>					
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Unitholders</b>										
Perpetual Superannuation Limited	12,914	2.5	809	-	1,064	12,105	2.4	811	-	1,173
<b>Wholesale Split Growth Fund</b>										
	<b>Number of</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>
	<b>units held</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>paid/payable</b>					
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Unitholders</b>										
Perpetual WealthFocus Investment Advantage Fund	17,032	50.1	3,198	3,089	2,540	16,923	50.5	2,945	4,832	1,366

**15 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:

<b>Wholesale Dynamic Fixed Income Fund</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	
	<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>
	<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>	<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Investments</b>													
Perpetual Active Fixed Interest Fund	4,898	4,980	1.4	3,322	3,911	124	5,487	5,539	1.6	1,602	1,790	159	
Perpetual Diversified Income Fund	7,401	7,149	0.6	4,209	4,244	250	7,436	7,239	0.7	1,350	2,426	287	
<b>Wholesale Australian Share Fund</b>													
	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	
	<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>
	<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>	<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Investments</b>													
Perpetual Australian Share Fund	239,679	1,147,513	70.6	42,112	60,999	86,982	258,566	1,217,692	74.0	53,916	76,984	106,174	

**15 Related party transactions (continued)**

**Investments (continued)**

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

<b>Wholesale Concentrated Equity Fund</b>	<b>Number of units held 30 June 2018</b>	<b>Fair value of investments 30 June 2018</b>	<b>Interest held 30 June 2018</b>	<b>Number of units acquired 30 June 2018</b>	<b>Number of units disposed 30 June 2018</b>	<b>Distributions received/receivable 30 June 2018</b>	<b>Number of units held 30 June 2017</b>	<b>Fair value of investments 30 June 2017</b>	<b>Interest held 30 June 2017</b>	<b>Number of units acquired 30 June 2017</b>	<b>Number of units disposed 30 June 2017</b>	<b>Distributions received/receivable 30 June 2017</b>												
													<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>
<b>Investments</b>																								
Perpetual Institutional Cash Management Trust	35,029	35,029	2.5	289,261	318,200	1,027	63,968	63,968	4.8	299,380	311,200	1,578												
<b>Wholesale Industrial Share Fund</b>																								
<b>Investments</b>																								
Perpetual Industrial Share Fund - Class B	2,188,252	1,906,571	69.4	422,696	512,982	203,750	2,278,538	2,052,113	68.8	616,552	608,376	172,483												

**15 Related party transactions (continued)**

**Investments (continued)**

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

<b>Wholesale International Share Fund</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>		
	<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>	
	<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>		<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>		<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	
<b>Investments</b>														
Perpetual Wholesale Global Share Fund - Class W	67,970	106,040	19.4	7,537	10,199	22,057	70,632	114,445	21.9	4,266	16,527	6,519		
Perpetual's International Share Pool Fund	53	42	48.4	-	-	-	53	30	48.2	-	78	-		
<b>Wholesale SHARE-PLUS Long-Short Fund</b>														
<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>			
<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		
<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>		<b>30 June</b>	<b>investments</b>	<b>30 June</b>	<b>30 June</b>	<b>acquired</b>	<b>disposed</b>	<b>receivable</b>	
<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>		<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	
<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>		
<b>Investments</b>														
Perpetual Institutional Cash Management Trust	100	100	-	85,000	85,900	379	1,000	1,000	0.1	100,000	99,000	516		



## 15 Related party transactions (continued)

### Investments (continued)

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

Wholesale Smaller Companies Fund	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/receivable 30 June 2018 \$'000	Number of units held 30 June 2017 '000	Fair value of investments 30 June 2017 \$'000	Interest held 30 June 2017 %	Number of units acquired 30 June 2017 '000	Number of units disposed 30 June 2017 '000	Distributions received/receivable 30 June 2017 '000													
													Investments												
Perpetual Institutional Cash Management Trust	70,016	70,016	5.1	371,716	378,100	1,692	76,400	76,400	5.8	496,040	453,113	899													
Wholesale Smaller Companies Fund No.2	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/receivable 30 June 2018 \$'000	Number of units held 30 June 2017 '000	Fair value of investments 30 June 2017 \$'000	Interest held 30 June 2017 %	Number of units acquired 30 June 2017 '000	Number of units disposed 30 June 2017 '000	Distributions received/receivable 30 June 2017 \$'000													
													Investments												
Perpetual Wholesale Smaller Companies Fund	68,546	81,473	9.4	22,580	15,967	8,335	61,933	73,835	8.9	15,983	11,096	9,946													
Wholesale Global Share Fund Hedged	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/receivable 30 June 2018 \$'000	Number of units held 30 June 2017 '000	Fair value of investments 30 June 2017 \$'000	Interest held 30 June 2017 %	Number of units acquired 30 June 2017 '000	Number of units disposed 30 June 2017 '000	Distributions received/receivable 30 June 2017 \$'000													
													Investments												
Perpetual Wholesale Global Share Fund	15,510	24,198	4.4	8,143	3,802	5,016	11,169	18,097	3.5	5,749	1,961	1,027													

## 15 Related party transactions (continued)

### Investments (continued)

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

Wholesale Conservative Growth Fund	Number of units held 30 June 2018 '000	Fair value of investments 30 June 2018 \$'000	Interest held 30 June 2018 %	Number of units acquired 30 June 2018 '000	Number of units disposed 30 June 2018 '000	Distributions received/receivable 30 June 2018 \$'000	Number of units held 30 June 2017 '000	Fair value of investments 30 June 2017 \$'000	Interest held 30 June 2017 %	Number of units acquired 30 June 2017 '000	Number of units disposed 30 June 2017 '000	Distributions received/receivable 30 June 2017 \$'000
Perpetual Active Fixed Interest Fund	93,958	95,540	27.1	6,208	22,202	2,833	109,952	110,976	32.8	8,560	11,585	3,150
Perpetual Active Fixed Interest Fund - Class A	19,713	19,962	35.0	19,713	-	242	-	-	-	-	-	-
Perpetual Australian Share Fund	7,282	34,862	2.1	722	563	2,592	7,123	33,544	2.0	762	2,903	3,079
Perpetual Diversified Income Fund	31,911	30,824	2.6	-	6,093	1,324	38,004	36,999	3.7	4,318	3,062	1,294
Perpetual Diversified Real Return Fund - Class W	36,871	39,325	10.0	1,423	905	1,487	36,353	38,625	13.4	15,098	1,390	1,285
Perpetual Economic Diversification Global Equity Fund	9,392	14,502	6.9	787	1,422	1,366	10,027	15,030	7.5	1,536	784	1,181
Perpetual Global Share Fund	6,281	9,799	1.8	1,269	-	2,030	-	-	-	-	-	-
Perpetual Institutional Cash Management Trust	166	166	-	46,131	73,000	207	27,035	27,035	2.0	82,386	95,500	415
Perpetual Pure Credit Alpha Fund	9,972	12,343	2.3	-	-	565	9,972	12,228	5.4	-	-	590
Perpetual Pure Equity Alpha Fund	4,201	4,700	1.3	117	-	458	4,084	4,495	1.3	358	-	133
Perpetual Smart Beta Emerging Market Equities Fund	6,405	7,265	11.7	292	430	277	6,543	7,003	12.0	167	-	301
Perpetual Wholesale Global Share Fund - Class W	-	-	-	-	-	-	5,012	8,121	1.6	84	-	462
Perpetual Wholesale Smaller Companies Fund	5,076	6,033	0.7	606	-	616	4,470	5,330	0.6	519	1,537	740

## 15 Related party transactions (continued)

### Investments (continued)

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

Wholesale Diversified Growth 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/	units held	of	held	units	units	received/
	30 June	investments	30 June	acquired	disposed	receivable	30 June	investments	30 June	acquired	disposed	receivable
	2018	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
'000	2018	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017	2017
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
<b>Investments</b>												
Perpetual Active Fixed Interest Fund	20,888	21,239	6.0	1,867	6,197	633	25,218	25,453	7.5	4,095	3,653	741
Perpetual Active Fixed Interest Fund - Class A	4,458	4,514	7.9	4,458	-	55	-	-	-	-	-	-
Perpetual Australian Share Fund	4,448	21,295	1.3	445	431	1,583	4,434	20,881	1.3	375	466	1,808
Perpetual Diversified Income Fund	3,921	3,787	0.3	-	2,541	180	6,462	6,291	0.6	3,914	4,624	183
Perpetual Diversified Real Return Fund - Class W	11,948	12,744	3.3	1,378	1,189	482	11,759	12,494	4.3	2,293	278	416
Perpetual Economic Diversification Global Equity Fund	6,304	9,734	4.7	531	992	917	6,765	10,140	5.0	699	897	797
Perpetual Institutional Cash Management Trust	2,074	2,074	0.2	21,450	21,800	61	2,424	2,424	0.2	20,079	23,300	64
Perpetual Pure Credit Alpha Fund	3,179	3,934	0.7	-	-	180	3,179	3,898	1.7	164	-	184
Perpetual Pure Equity Alpha Fund	1,803	2,017	0.6	50	-	197	1,753	1,929	0.6	561	-	50
Perpetual Smart Beta Emerging Market Equities Fund	3,498	3,968	6.4	155	213	147	3,556	3,806	6.6	90	-	163
Perpetual Wholesale Global Share Fund - Class W	3,586	5,595	1.0	661	553	1,162	3,478	5,635	1.1	67	468	321
Perpetual Wholesale Smaller Companies Fund	2,944	3,499	0.4	352	-	357	2,592	3,091	0.4	257	381	421

## 15 Related party transactions (continued)

### Investments (continued)

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

Diversified Real Return Fund	Number of	Fair value		Number of	Number of	Distributions	Number of	Fair value		Number of	Number of	Distributions	
	units held	of	Interest	units	units	received/		units held	of	Interest	units	units	received/
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017	2017	2017
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	'000	\$'000
<b>Investments</b>													
Perpetual Active Fixed Interest Fund	33,211	33,770	9.6	11,624	6,489	906	28,076	28,337	8.4	10,288	-	727	
Perpetual Active Fixed Interest Fund - Class A	6,538	6,621	11.6	6,538	-	80	-	-	-	-	-	-	
Perpetual Australian Share Fund	16,310	78,087	4.8	4,739	-	5,588	11,571	54,493	3.3	3,777	-	4,528	
Perpetual Credit Income Fund	30,781	31,944	4.9	4,262	2,566	1,635	29,085	30,574	4.0	13,211	16,225	1,057	
Perpetual Economic Diversification Global Equity Fund	12,307	19,002	9.1	3,660	-	1,791	8,647	12,961	6.5	8,647	-	1,019	
Perpetual Institutional Cash Management Trust	27,371	27,371	2.0	142,826	138,700	383	23,245	23,245	1.8	111,091	118,400	536	
Perpetual Pure Credit Alpha Fund	15,890	19,667	3.6	4,085	-	846	11,805	14,476	6.4	5,638	248	610	
Perpetual Pure Equity Alpha Fund	17,564	19,649	5.4	4,541	-	1,904	13,023	14,333	4.1	5,210	-	396	
Perpetual Wholesale Global Share Fund - Class W	19,534	30,475	5.6	11,096	-	6,296	8,438	13,672	2.6	8,438	-	776	
Perpetual Wholesale Smaller Companies Fund	11,068	13,155	1.5	3,262	-	1,331	7,806	9,306	1.1	2,542	-	1,236	

**15 Related party transactions (continued)**

**Investments (continued)**

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

<b>Wholesale Balanced Growth Fund</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>
	<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>receivable</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>

**Investments**

Perpetual Balanced Growth Fund  
No.2

	<b>481,893</b>	<b>736,514</b>	<b>59.8</b>	<b>72,594</b>	<b>76,953</b>	<b>38,374</b>	<b>486,252</b>	<b>731,895</b>	<b>59.6</b>	<b>82,689</b>	<b>112,789</b>	<b>45,256</b>
--	----------------	----------------	-------------	---------------	---------------	---------------	----------------	----------------	-------------	---------------	----------------	---------------

<b>Wholesale Split Growth Fund</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>	<b>Number of</b>	<b>Fair value</b>	<b>Interest</b>	<b>Number of</b>	<b>Number of</b>	<b>Distributions</b>
	<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>	<b>received/</b>		<b>units held</b>	<b>of</b>	<b>held</b>	<b>units</b>	<b>units</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>receivable</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>'000</b>	<b>\$'000</b>	<b>%</b>	<b>'000</b>	<b>'000</b>	<b>\$'000</b>

**Investments**

Perpetual Economic Diversification  
Global Equity Fund  
Perpetual Industrial Share Fund  
Perpetual Institutional Cash  
Management Trust  
Perpetual Wholesale Global Share  
Fund - Class W

	<b>8,707</b>	<b>13,443</b>	<b>6.4</b>	<b>1,741</b>	<b>1,655</b>	<b>1,267</b>	<b>8,621</b>	<b>12,922</b>	<b>6.4</b>	<b>1,609</b>	<b>2,423</b>	<b>1,016</b>
	<b>21,176</b>	<b>18,450</b>	<b>0.7</b>	<b>5,541</b>	<b>3,978</b>	<b>1,925</b>	<b>19,613</b>	<b>17,664</b>	<b>0.6</b>	<b>4,926</b>	<b>5,714</b>	<b>1,483</b>
	<b>41</b>	<b>41</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
	<b>7,869</b>	<b>12,277</b>	<b>2.2</b>	<b>1,457</b>	<b>1,896</b>	<b>2,555</b>	<b>8,308</b>	<b>13,462</b>	<b>2.6</b>	<b>824</b>	<b>2,645</b>	<b>767</b>

## 16 Structured entities

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

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

The unlisted unit trusts are 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 8. The fair value of these entities is included in financial assets held at fair value through profit or loss in the balance sheets.

The Schemes' maximum exposure to loss from their interests in the 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.

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

### *Unconsolidated subsidiaries*

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

The following unconsolidated structured entities are considered to be the Schemes' subsidiaries at the reporting date:

	<b>Wholesale Australian Share Fund</b>			
	<b>Fair Value</b>		<b>Ownership interest</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>\$'000</b>	\$'000	%	%
Perpetual Australian Share Fund	<b>1,147,513</b>	1,217,692	<b>70.6</b>	74.0

The above subsidiary is domiciled in Australia.

## 16 Structured entities (continued)

### *Unconsolidated subsidiaries (continued)*

The following unconsolidated structured entities are considered to be the Schemes' subsidiaries at the reporting date:

	<b>Wholesale Industrial Share Fund</b>			
	<b>Fair Value</b>		<b>Ownership interest</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>\$'000</b>	\$'000	%	%
Perpetual Industrial Share Fund - Class B	<b>1,906,571</b>	2,052,113	<b>69.4</b>	68.8

	<b>Wholesale Balanced Growth Fund</b>			
	<b>Fair Value</b>		<b>Ownership interest</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>\$'000</b>	\$'000	%	%
Perpetual Balanced Growth Fund No.2	<b>736,514</b>	731,895	<b>59.8</b>	59.6

Each of the above subsidiaries is domiciled in Australia.

The subsidiary of the Wholesale Balanced Growth Fund controlled the following schemes which are domiciled in Australia:

	<b>Perpetual Balanced Growth Fund No.2</b>			
	<b>Fair Value</b>		<b>Ownership interest</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>\$'000</b>	\$'000	%	%
Perpetual Economic Diversification Global Equity Fund	<b>152,273</b>	150,160	<b>72.9</b>	74.6
Perpetual Smart Beta Emerging Market Equities Fund	<b>50,716</b>	47,188	<b>81.9</b>	81.4

## **17 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 securities investments present a risk of loss of capital. The maximum loss of capital on long equities, unlisted unit trusts and debt securities is limited to the fair values of those positions. On equities sold short, the maximum loss of capital is unlimited. 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 objectives. Risk management techniques are used in the selection of investments. These include periodic stress testing for fixed income securities. 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 securities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

The Schemes held foreign exchange 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.

With the exception of Wholesale Global Share Fund and Wholesale Global Share Fund Hedged, the Schemes did not have any significant direct exposure to currency risk at the reporting date.



## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

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

	Wholesale Global Share Fund		Wholesale Global Share Fund Hedged	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
United States Dollar	389,988	356,488	(17,405)	(11,721)
Euro	103,431	67,541	(4,416)	(2,392)
British Pound	-	-	(1,153)	(1,226)
Other currencies	135,857	94,107	(4,217)	(2,227)
<b>Total foreign currency exposure</b>	<b>629,276</b>	<b>518,136</b>	<b>(27,191)</b>	<b>(17,566)</b>

The table presented in note 17(a)(iv) summarises sensitivity analysis to currency risk. This analysis is based on the assumption that the Australian dollar weakened and strengthened against the individual foreign currency to which the Schemes are significantly exposed to at the reporting date.

#### (ii) Interest rate risk

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

The Schemes' exposure to interest rate risk predominantly arises from cash and cash equivalents and units in cash management trusts, which earn/charge a floating rate of interest.

With the exception of the Wholesale Geared Australian Share Fund, Wholesale Conservative Growth Fund, Wholesale Diversified Growth Fund and Diversified Real Return Fund, the Schemes' exposure to interest rate risk is limited to their cash and cash equivalents and units in cash management trusts, which earn/charge a floating rate of interest.

#### Wholesale Geared Australian Share Fund

The Scheme is exposed to interest rate risk on its cash holdings and borrowings. Interest income from cash holdings is received and interest expense from cash borrowings is incurred at variable interest rates. The weighted interest rate received on cash holdings as at 30 June 2018 is 1.80% (2017: 1.80%). The interest rate paid on borrowings as at 30 June 2018 is 1.80% (2017: 1.80%).

## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk (continued)

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

#### Wholesale SHARE-PLUS Long-Short Fund

	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>								
Cash and cash equivalents	192,668	-	-	192,668	273,704	-	-	273,704
Cash management trusts	100	-	-	100	1,000	-	-	1,000

#### Wholesale Conservative Growth Fund

	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>								
Cash and cash equivalents	10,934	-	-	10,934	5,547	-	-	5,547
Cash management trusts	166	-	-	166	27,035	-	-	27,035
Debt securities	-	19,469	-	19,469	-	19,289	-	19,289
<b>Financial liabilities</b>								
Derivatives	3,687	110	-	3,797	-	4	-	4

#### Wholesale Diversified Growth Fund

	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>								
Cash and cash equivalents	4,655	-	-	4,655	2,463	-	-	2,463
Cash management trusts	2,074	-	-	2,074	2,424	-	-	2,424
Debt securities	-	4,988	-	4,988	-	4,926	-	4,926
Derivatives	-	-	-	-	-	4	-	4
<b>Financial liabilities</b>								
Derivatives	1,215	28	-	1,243	-	-	-	-

## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk (continued)

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

#### Diversified Real Return Fund

	30 June 2018				30 June 2017			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>								
Cash and cash equivalents	19,719	-	-	19,719	12,147	-	-	12,147
Cash management trusts	27,371	-	-	27,371	23,245	-	-	23,245
Derivatives	-	-	-	-	-	324	-	324
<b>Financial liabilities</b>								
Derivatives	8,480	62	-	8,542	-	4	-	4

The table presented in note 17(a)(iv) summarises sensitivity analysis to interest rate risk. This analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

## 17 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 17(a)(ii).

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

	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Equities*	-	-	150,351	147,137	-	-	989,091	955,041
Units in fixed income trusts	12,129	12,778	-	-	-	-	-	-
Units in equity and other trusts*	-	-	-	-	1,147,513	1,217,692	-	-

\*Equities and equity related securities

	Wholesale Ethical SRI Fund		Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Derivatives*	(14)	-	274	-	-	-	-	-
Equities*	1,226,231	1,268,769	1,299,960	1,304,582	-	-	-	-
Units in fixed income trusts	-	-	-	-	-	-	-	-
Units in equity and other trusts*	-	-	-	-	1,906,571	2,052,113	106,082	114,475

\*Equities and equity related securities

## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Price risk (continued)

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

	Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund		Wholesale Smaller Companies Fund No. 2		Wholesale Global Share Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives*	-	-	-	-	-	-	527	372
Equities*	1,326,647	1,143,193	857,013	844,246	-	-	590,120	445,459
Units in fixed income trusts	-	-	-	-	-	-	-	-
Units in equity and other trusts*	-	-	-	-	81,473	73,835	-	-

\*Equities and equity related securities

	Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund		Wholesale Diversified Growth Fund		Diversified Real Return Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivatives*	-	-	1,014	256	462	128	1,715	497
Equities*	24,198	18,097	14,801	20,056	7,334	8,791	52,455	48,961
Units in fixed income trusts	-	-	138,707	160,203	33,475	35,642	109,388	89,858
Units in equity and other trusts*	-	-	174,488	148,130	69,675	68,523	185,038	117,780

\*Equities and equity related securities

## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Price risk (continued)

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

	Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Derivatives*	-	-	-	-
Equities*	736,514	731,895	-	-
Units in fixed income trusts	-	-	-	-
Units in equity and other trusts*	-	-	44,170	44,047

\*Equities and equity related securities

The tables presented in the note 17(a)(iv) summarise sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

## 17 Financial risk management (continued)

### (a) Market risk (continued)

#### (iv) Sensitivity analysis

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

#### Impact on operating profit/net assets attributable to unitholders

	Sensitivity rates	Wholesale Dynamic Fixed Income Fund		Wholesale Income Share Fund		Wholesale Australian Share Fund		Wholesale Concentrated Equity Fund		Wholesale Ethical SRI Fund	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Price risk</b>											
Units in fixed income trusts	+5%	606	639	-	-	-	-	-	-	-	-
	-5%	(606)	(639)	-	-	-	-	-	-	-	-
Equities and equity related securities*	+10%	-	-	15,035	-	114,751	-	98,909	-	122,622	-
	-10%	-	-	(15,035)	-	(114,751)	-	(98,909)	-	(122,622)	-
	+15%	-	-	-	22,071	-	182,654	-	143,256	-	190,315
	-15%	-	-	-	(22,071)	-	(182,654)	-	(143,256)	-	(190,315)

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

## 17 Financial risk management (continued)

### (a) Market risk (continued)

(iv) Sensitivity analysis (continued)

#### Impact on operating profit/net assets attributable to unitholders

	Sensitivity rates	Wholesale Geared Australian Share Fund		Wholesale Industrial Share Fund		Wholesale International Share Fund		Wholesale SHARE-PLUS Long-Short Fund		Wholesale Smaller Companies Fund	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Interest rate risk</b>	+1%	<b>6,827</b>	7,296	-	-	-	-	<b>1,928</b>	2,747	-	-
	-1%	<b>(6,827)</b>	(7,296)	-	-	-	-	<b>(1,928)</b>	(2,747)	-	-
<b>Price risk</b>											
Equities and equity related securities*	+10%	<b>130,023</b>	-	<b>190,657</b>	-	<b>10,608</b>	-	<b>132,665</b>	-	<b>85,701</b>	-
	-10%	<b>(130,023)</b>	-	<b>(190,657)</b>	-	<b>(10,608)</b>	-	<b>(132,665)</b>	-	<b>(85,701)</b>	-
	+15%	-	195,687	-	307,817	-	17,171	-	171,479	-	126,637
	-15%	-	(195,687)	-	(307,817)	-	(17,171)	-	(171,479)	-	(126,637)

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



## 17 Financial risk management (continued)

### (a) Market risk (continued)

(iv) Sensitivity analysis (continued)

#### Impact on operating profit/net assets attributable to unitholders

	Sensitivity rates	Wholesale Smaller Companies Fund No. 2		Wholesale Global Share Fund		Wholesale Global Share Fund Hedged		Wholesale Conservative Growth Fund <sup>1</sup>		Wholesale Diversified Growth Fund	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Currency risk</b>											
USD	+10%	-	-	(38,999)	(35,649)	1,741	(1,172)	-	-	-	-
	-10%	-	-	38,999	35,649	(1,741)	1,172	-	-	-	-
EUR	+8%	-	-	(8,274)	(5,403)	353	(191)	-	-	-	-
	-8%	-	-	8,274	5,403	(353)	191	-	-	-	-
GBP	+8%	-	-	-	-	92	98	-	-	-	-
	-8%	-	-	-	-	(92)	(98)	-	-	-	-
<b>Interest rate risk</b>											
	+1%	-	-	-	-	-	-	-	-	(204)	(186)
	-1%	-	-	-	-	-	-	-	-	204	186
<b>Price risk</b>											
Units in fixed income trusts	+5%	-	-	-	-	-	-	6,935	8,010	1,674	1,782
	-5%	-	-	-	-	-	-	(6,935)	(8,010)	(1,674)	(1,782)
Equities and equity related securities*	+10%	8,147	-	-	-	-	-	19,030	-	7,747	-
	-10%	(8,147)	-	-	-	-	-	(19,030)	-	(7,747)	-
	+15%	-	11,075	88,597	66,875	3,630	2,715	-	25,266	-	11,616
	+15%	-	(11,075)	(88,597)	(66,875)	(3,630)	(2,715)	-	(25,266)	-	(11,616)

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

<sup>1</sup> The Scheme is exposed to interest rate risk however it was not considered significant.

## 17 Financial risk management (continued)

### (a) Market risk (continued)

(iv) Sensitivity analysis (continued)

Impact on operating profit/net assets attributable to unitholders						
Sensitivity rates	Diversified Real Return Fund <sup>1</sup>		Wholesale Balanced Growth Fund		Wholesale Split Growth Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
<b>Interest rate risk</b>						
+1%	(1,633)	1,154	-	-	-	-
-1%	1,633	(1,154)	-	-	-	-
<b>Price risk</b>						
Units in fixed income trusts						
+5%	5,469	4,493	-	-	-	-
-5%	(5,469)	(4,493)	-	-	-	-
Equities and equity related securities*						
+10%	23,921	-	73,651	-	4,417	-
-10%	(23,921)	-	(73,651)	-	(4,417)	-
+15%	-	25,086	-	109,784	-	6,607
-15%	-	(25,086)	-	(109,784)	-	(6,607)

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

<sup>1</sup> The Scheme is exposed to currency risk however it was not considered significant.

## 17 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 (except Wholesale Conservative Growth Fund and Wholesale Diversified Growth Fund) 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.

For Wholesale Conservative Growth Fund and Wholesale Diversified Growth Fund, the main concentration of counterparty credit risk, to which the Schemes are exposed to, arises predominantly from the Schemes' investments in debt securities. The Schemes are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, and receivables for securities sold. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

#### (i) Debt securities

Investment management processes include the consideration of counterparty risk. The asset managers may refer to the credit ratings issued by rating agencies to assess the creditworthiness of counterparties. The asset managers consider (among other things) branding, stability and security marketability of counterparties and consistently monitor exposure through electronic systems.

The Schemes monitor the credit ratings of debt securities on a regular basis.

The tables below set out the analysis of debt securities by credit ratings as issued by Standard & Poor's:

	Wholesale Diversified Growth Fund									
	30 June 2018					30 June 2017				
	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	NON-RATED \$'000	Total \$'000	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	NON-RATED \$'000	Total \$'000
Debt securities	4,988	-	-	-	4,988	4,926	-	-	-	4,926
	4,988	-	-	-	4,988	4,926	-	-	-	4,926

## **17 Financial risk management (continued)**

### **(b) Credit risk (continued)**

#### *(ii) 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.

#### *(iii) Cash and cash equivalents*

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

#### *(iv) Receivables for securities sold*

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

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

### **(c) Liquidity risk**

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

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

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

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

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

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

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Dynamic Fixed Income Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	107	-	107	244	-	244
Payables	13	-	13	2,368	-	2,368
Net assets attributable to unitholders - liability	-	-	-	13,310	13,310	-
<b>Total</b>	<b>120</b>	<b>-</b>	<b>120</b>	<b>15,922</b>	<b>13,310</b>	<b>2,612</b>

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Income Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	7,693	-	7,693	6,206	-	6,206
Payables for securities purchased	205	-	205	884	-	884
Payables	189	-	189	141	-	141
Net assets attributable to unitholders - liability	-	-	-	155,325	155,325	-
<b>Total</b>	<b>8,087</b>	<b>-</b>	<b>8,087</b>	<b>162,556</b>	<b>155,325</b>	<b>7,231</b>

**17 Financial risk management (continued)**

**(c) Liquidity risk (continued)**

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Australian Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	23,971	-	23,971	56,823	-	56,823
Payables for securities purchased	87	-	87	760	-	760
Payables	819	-	819	1,004	-	1,004
Net assets attributable to unitholders - liability	-	-	-	1,239,398	1,239,398	-
<b>Total</b>	<b>24,877</b>	<b>-</b>	<b>24,877</b>	<b>1,297,985</b>	<b>1,239,398</b>	<b>58,587</b>

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Concentrated Equity Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	79,820	-	79,820	44,711	-	44,711
Payables for securities purchased	3,903	-	3,903	1,474	-	1,474
Payables	2,187	-	2,187	2,149	-	2,149
Net assets attributable to unitholders - liability	-	-	-	983,125	983,125	-
<b>Total</b>	<b>85,910</b>	<b>-</b>	<b>85,910</b>	<b>1,031,459</b>	<b>983,125</b>	<b>48,334</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Ethical SRI Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	52,095	-	52,095	93,931	-	93,931
Payables for securities purchased	5,083	-	5,083	21,060	-	21,060
Payables	9,130	-	9,130	2,598	-	2,598
Net assets attributable to unitholders - liability	-	-	-	1,301,681	1,301,681	-
<b>Total</b>	<b>66,308</b>	<b>-</b>	<b>66,308</b>	<b>1,419,270</b>	<b>1,301,681</b>	<b>117,589</b>
<b>Derivative financial liabilities</b>						
Futures	14	-	14	-	-	-
<b>Total</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Wholesale Geared Australian Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Bank overdraft	687,669	687,669	-	729,871	729,871	-
Distributions payable to unitholders of the Scheme	61,787	-	61,787	22,021	-	22,021
Payables for securities purchased	4,763	-	4,763	13,215	-	13,215
Payables	3,002	-	3,002	1,947	-	1,947
Interest payable	1,387	1,387	-	1,293	1,293	-
Net assets attributable to unitholders - liability	-	-	-	550,175	550,175	-
<b>Total</b>	<b>758,608</b>	<b>689,056</b>	<b>69,552</b>	<b>1,318,522</b>	<b>1,281,339</b>	<b>37,183</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Industrial Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	56,134	-	56,134	64,222	-	64,222
Payables for securities purchased	633	-	633	3,543	-	3,543
Payables	3,096	-	3,096	2,276	-	2,276
Net assets attributable to unitholders - liability	-	-	-	2,100,974	2,100,974	-
<b>Total</b>	<b>59,863</b>	<b>-</b>	<b>59,863</b>	<b>2,171,015</b>	<b>2,100,974</b>	<b>70,041</b>
<b>Wholesale International Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	560	-	560	1,798	-	1,798
Payables for securities purchased	8	-	8	31	-	31
Payables	346	-	346	361	-	361
Net assets attributable to unitholders - liability	-	-	-	118,917	118,917	-
<b>Total</b>	<b>914</b>	<b>-</b>	<b>914</b>	<b>121,107</b>	<b>118,917</b>	<b>2,190</b>



## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

Wholesale SHARE-PLUS Long-Short Fund	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Non-derivative financial liabilities</b>						
Financial liabilities held at fair value through profit or loss	289,237	289,237	-	224,456	224,456	-
Distributions payable to unitholders of the Scheme	128,247	-	128,247	50,927	-	50,927
Payables for securities purchased	3,670	-	3,670	28,238	-	28,238
Payables	4,514	-	4,514	5,120	-	5,120
Net assets attributable to unitholders - liability	-	-	-	1,376,776	1,376,776	-
<b>Total</b>	<b>425,668</b>	<b>289,237</b>	<b>136,431</b>	<b>1,685,517</b>	<b>1,601,232</b>	<b>84,285</b>

Wholesale Smaller Companies Fund	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	76,580	-	76,580	100,219	-	100,219
Payables for securities purchased	5,121	-	5,121	7,321	-	7,321
Payables	2,004	-	2,004	1,305	-	1,305
Net assets attributable to unitholders - liability	-	-	-	827,842	827,842	-
<b>Total</b>	<b>83,705</b>	<b>-</b>	<b>83,705</b>	<b>936,687</b>	<b>827,842</b>	<b>108,845</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale Smaller Companies Fund No. 2</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	5,932	-	5,932	9,152	-	9,152
Payables for securities purchased	66	-	66	21	-	21
Payables	52	-	52	-	-	-
Net assets attributable to unitholders - liability	-	-	-	73,635	73,635	-
<b>Total</b>	<b>6,050</b>	<b>-</b>	<b>6,050</b>	<b>82,808</b>	<b>73,635</b>	<b>9,173</b>

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale Global Share Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	107,589	-	107,589	27,152	-	27,152
Payables for securities purchased	21,904	-	21,904	14,501	-	14,501
Payables	1,089	-	1,089	1,014	-	1,014
Net assets attributable to unitholders - liability	551,292	551,292	-	524,743	524,743	-
<b>Total</b>	<b>681,874</b>	<b>551,292</b>	<b>130,582</b>	<b>567,410</b>	<b>524,743</b>	<b>42,667</b>

#### Derivative financial liabilities

Foreign exchange forward contracts	-	-	-	254	-	-
Outflow	-	-	-	-	-	9,381
Inflow	-	-	-	-	-	(9,127)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254</b>	<b>-</b>	<b>254</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Wholesale Global Share Fund Hedged</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	5,318	-	5,318	1,482	-	1,482
Payables for securities purchased	-	-	-	110	-	110
Payables	22	-	22	41	-	41
Net assets attributable to unitholders - liability	23,120	23,120	-	1,782	1,782	-
<b>Total</b>	<b>28,460</b>	<b>23,120</b>	<b>5,340</b>	<b>3,415</b>	<b>1,782</b>	<b>1,633</b>
<b>Derivative financial liabilities</b>						
Foreign exchange forward contracts	682	-	-	14	-	-
Outflow	-	-	28,112	-	-	4,578
Inflow	-	-	(27,429)	-	-	(4,564)
<b>Total</b>	<b>682</b>	<b>-</b>	<b>683</b>	<b>14</b>	<b>-</b>	<b>14</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018					30 June 2017		
	Carrying amount \$'000	Contractual cash flows				Carrying amount \$'000	Contractual cash flows	
At call \$'000		less than 6 months \$'000	6 - 12 months \$'000	More than 6 months \$'000	At call \$'000		less than 6 months \$'000	
<b>Wholesale Conservative Growth Fund</b>								
<b>Non-derivative financial liabilities</b>								
Distributions payable to unitholders of the Scheme	7,637	-	7,637	-	-	8,391	-	8,391
Payables for securities purchased	79	-	79	-	-	1,924	-	1,924
Payables	1,143	-	1,143	-	-	602	-	602
Net assets attributable to unitholders - liability	-	-	-	-	-	379,465	379,465	-
<b>Total</b>	<b>8,859</b>	<b>-</b>	<b>8,859</b>	<b>-</b>	<b>-</b>	<b>390,382</b>	<b>379,465</b>	<b>10,917</b>
<b>Derivative financial liabilities</b>								
Futures	249	-	249	-	-	96	-	96
Options	350	-	350	-	-	-	-	-
Swaps	3,687	-	-	-	-	-	-	-
Outflow	-	-	540	531	110,349	-	-	-
Foreign exchange forward contracts	9	-	-	-	-	266	-	-
Outflow	-	-	8,137	-	-	-	-	9,960
Inflow	-	-	(8,128)	-	-	-	-	(9,694)
<b>Total</b>	<b>4,295</b>	<b>-</b>	<b>1,148</b>	<b>531</b>	<b>110,349</b>	<b>362</b>	<b>-</b>	<b>362</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018					30 June 2017		
	Contractual cash flows					Contractual cash flows		
Wholesale Diversified Growth Fund	Carrying amount \$'000	At call \$'000	less than 6 months \$'000	6 - 12 months \$'000	More than 6 months \$'000	Carrying amount \$'000	At call \$'000	less than 6 months \$'000
<b>Non-derivative financial liabilities</b>								
Distributions payable to unitholders of the Scheme	3,863	-	3,863	-	-	5,019	-	5,019
Payables for securities purchased	38	-	38	-	-	641	-	641
Payables	234	-	234	-	-	226	-	226
Net assets attributable to unitholders - liability	-	-	-	-	-	121,398	121,398	-
<b>Total</b>	<b>4,135</b>	<b>-</b>	<b>4,135</b>	<b>-</b>	<b>-</b>	<b>127,284</b>	<b>121,398</b>	<b>5,886</b>
<b>Derivative financial liabilities</b>								
Futures	61	-	61	-	-	52	-	52
Options	168	-	168	-	-	-	-	-
Swaps	1,215	-	-	-	-	-	-	-
Outflow	-	-	178	175	36,380	-	-	-
Foreign exchange forward contracts	75	-	-	-	-	202	-	-
Outflow	-	-	8,575	-	-	-	-	9,276
Inflow	-	-	(8,500)	-	-	-	-	(9,074)
<b>Total</b>	<b>1,519</b>	<b>-</b>	<b>482</b>	<b>175</b>	<b>36,380</b>	<b>254</b>	<b>-</b>	<b>254</b>

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018					30 June 2017		
	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000	6 - 12 months \$'000	More than 6 months \$'000	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000
<b>Diversified Real Return Fund</b>								
<b>Non-derivative financial liabilities</b>								
Distributions payable to unitholders of the Scheme	11,466	-	11,466	-	-	8,842	-	8,842
Payables for securities purchased	254	-	254	-	-	4,436	-	4,436
Payables	308	-	308	-	-	121	-	121
Net assets attributable to unitholders - liability	392,436	392,436	-	-	-	288,681	288,681	-
<b>Total</b>	<b>404,464</b>	<b>392,436</b>	<b>12,028</b>	<b>-</b>	<b>-</b>	<b>302,080</b>	<b>288,681</b>	<b>13,399</b>
<b>Derivative financial liabilities</b>								
Futures	1,709	-	1,637	72	-	494	-	494
Options	1,124	-	1,124	-	-	-	-	-
Swaps	8,480	-	-	-	-	-	-	-
Outflow	-	-	1,323	1,301	270,935	-	-	-
Foreign exchange forward contracts	583	-	-	-	-	869	-	-
Outflow	-	-	61,600	-	-	-	-	51,137
Inflow	-	-	(61,017)	-	-	-	-	(50,268)
<b>Total</b>	<b>11,896</b>	<b>-</b>	<b>4,667</b>	<b>1,373</b>	<b>270,935</b>	<b>1,363</b>	<b>-</b>	<b>1,363</b>
<b>Wholesale Balanced Growth Fund</b>								
	30 June 2018			30 June 2017				
	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Contractual cash flows less than 6 months \$'000		
<b>Non-derivative financial liabilities</b>								
Distributions payable to unitholders of the Scheme	41,884	-	41,884	48,490	-	48,490		
Payables for securities purchased	111	-	111	255	-	255		
Payables	307	-	307	1,253	-	1,253		
Net assets attributable to unitholders - liability	-	-	-	725,592	725,592	-		
<b>Total</b>	<b>42,302</b>	<b>-</b>	<b>42,302</b>	<b>775,590</b>	<b>725,592</b>	<b>49,998</b>		

## 17 Financial risk management (continued)

### (c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount	At call	less than 6 months	Carrying amount	At call	less than 6 months
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale Split Growth Fund</b>						
<b>Non-derivative financial liabilities</b>						
Distributions payable to unitholders of the Scheme	5,069	-	5,069	2,704	-	2,704
Payables for securities purchased	46	-	46	22	-	22
Payables	73	-	73	55	-	55
Net assets attributable to unitholders - liability	-	-	-	44,085	44,085	-
<b>Total</b>	<b>5,188</b>	<b>-</b>	<b>5,188</b>	<b>46,866</b>	<b>44,085</b>	<b>2,781</b>

### (d) Fair value measurement

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are no based on observable market data (that is, unobservable inputs) (level 3).

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

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

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

Listed securities and exchange traded derivatives are valued at the last traded price. Investments in unlisted unit trusts that are considered actively traded are recorded at the redemption value per unit as reported by the investment managers of such trusts.

## **17 Financial risk management (continued)**

### **(d) Fair value measurement (continued)**

#### *(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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period. Quoted market prices or dealer quotes for similar instruments are used for debt securities held.

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

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

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

The Wholesale Conservative Growth Fund, Wholesale Diversified Growth Fund and Diversified Real Return Fund held investments in unlisted unit trusts that are classified as level 3. The unlisted unit trusts have exposure to direct property which may use significant unobservable inputs in their valuations. The Schemes obtained the fair value prices from the relevant investment managers without significant adjustments and did not calculate any unobservable inputs themselves.

The Wholesale SHARE-PLUS Long-Short Fund held level 3 assets which include a short position in equity securities that have been impaired. These equity securities are valued at a price that the investment manager has deemed as fair value as approved by its Asset Valuation Committee. The Scheme did not hold any other financial instruments with fair value measurements using significant unobservable inputs at reporting date.

There are no individual significant unobservable inputs into the valuation of the level 3 assets and, accordingly, a sensitivity analysis by input is not included in the notes to the financial statements.

No other Schemes held financial instruments with fair value measurements using significant unobservable inputs (level 3) at 30 June 2018 and 30 June 2017.



## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Dynamic Fixed Income Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	12,129	-	12,129	-	12,778	-	12,778
<b>Total</b>	-	12,129	-	12,129	-	12,778	-	12,778

Wholesale Income Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Equities	150,351	-	-	150,351	147,137	-	-	147,137
<b>Total</b>	150,351	-	-	150,351	147,137	-	-	147,137

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Australian Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	1,147,513	-	-	1,147,513	1,217,692	-	-	1,217,692
<b>Total</b>	<b>1,147,513</b>	<b>-</b>	<b>-</b>	<b>1,147,513</b>	<b>1,217,692</b>	<b>-</b>	<b>-</b>	<b>1,217,692</b>

Wholesale Concentrated Equity Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Equities	989,091	-	-	989,091	955,041	-	-	955,041
Unlisted unit trusts	35,029	-	-	35,029	63,968	-	-	63,968
<b>Total</b>	<b>1,024,120</b>	<b>-</b>	<b>-</b>	<b>1,024,120</b>	<b>1,019,009</b>	<b>-</b>	<b>-</b>	<b>1,019,009</b>

Wholesale Ethical SRI Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Equities	1,226,231	-	-	1,226,231	1,268,769	-	-	1,268,769
<b>Total</b>	<b>1,226,231</b>	<b>-</b>	<b>-</b>	<b>1,226,231</b>	<b>1,268,769</b>	<b>-</b>	<b>-</b>	<b>1,268,769</b>

#### Financial liabilities

Financial liabilities held for trading:

Futures	14	-	-	14	-	-	-	-
<b>Total</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Geared Australian Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Futures	274	-	-	274	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equities	1,299,959	-	-	1,299,959	1,304,582	-	-	1,304,582
<b>Total</b>	<b>1,300,233</b>	<b>-</b>	<b>-</b>	<b>1,300,233</b>	<b>1,304,582</b>	<b>-</b>	<b>-</b>	<b>1,304,582</b>

Wholesale Industrial Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	1,906,571	-	-	1,906,571	2,052,113	-	-	2,052,113
<b>Total</b>	<b>1,906,571</b>	<b>-</b>	<b>-</b>	<b>1,906,571</b>	<b>2,052,113</b>	<b>-</b>	<b>-</b>	<b>2,052,113</b>

Wholesale International Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	106,040	42	-	106,082	114,445	30	-	114,475
<b>Total</b>	<b>106,040</b>	<b>42</b>	<b>-</b>	<b>106,082</b>	<b>114,445</b>	<b>30</b>	<b>-</b>	<b>114,475</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale SHARE-PLUS Long-Short Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Options	-	-	-	-	150	-	-	150
Financial assets designated at fair value through profit or loss:								
Equities	1,615,884	-	-	1,615,884	1,367,497	-	-	1,367,497
Unlisted unit trusts	100	-	-	100	1,000	-	-	1,000
<b>Total</b>	<b>1,615,984</b>	<b>-</b>	<b>-</b>	<b>1,615,984</b>	<b>1,368,647</b>	<b>-</b>	<b>-</b>	<b>1,368,647</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Options	-	-	-	-	390	-	-	390
Foreign exchange forward contracts	-	-	-	-	-	2	-	2
Financial liabilities designated at fair value through profit or loss:								
Equity securities sold short	289,237	-	-	289,237	223,036	-	1,028	224,064
<b>Total</b>	<b>289,237</b>	<b>-</b>	<b>-</b>	<b>289,237</b>	<b>223,426</b>	<b>2</b>	<b>1,028</b>	<b>224,456</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Smaller Companies Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Equities	854,036	2,977	-	857,013	844,247	-	-	844,247
Unlisted unit trusts	70,016	-	-	70,016	76,400	-	-	76,400
<b>Total</b>	<b>924,052</b>	<b>2,977</b>	<b>-</b>	<b>927,029</b>	<b>920,647</b>	<b>-</b>	<b>-</b>	<b>920,647</b>

Wholesale Smaller Companies Fund No.2	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	81,473	-	-	81,473	73,835	-	-	73,835
<b>Total</b>	<b>81,473</b>	<b>-</b>	<b>-</b>	<b>81,473</b>	<b>73,835</b>	<b>-</b>	<b>-</b>	<b>73,835</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Global Share Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Options	527	-	-	527	372	-	-	372
Foreign exchange forward contracts	-	-	-	-	-	333	-	333
Financial assets designated at fair value through profit or loss:								
Equities	590,120	-	-	590,120	445,459	-	-	445,459
<b>Total</b>	<b>590,647</b>	<b>-</b>	<b>-</b>	<b>590,647</b>	<b>445,831</b>	<b>333</b>	<b>-</b>	<b>446,164</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Foreign exchange forward contracts	-	-	-	-	-	254	-	254
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254</b>	<b>-</b>	<b>254</b>

Wholesale Global Share Fund Hedged	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Foreign exchange forward contracts	-	16	-	16	-	245	-	245
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	24,198	-	-	24,198	18,097	-	-	18,097
<b>Total</b>	<b>24,198</b>	<b>16</b>	<b>-</b>	<b>24,214</b>	<b>18,097</b>	<b>245</b>	<b>-</b>	<b>18,342</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Foreign exchange forward contracts	-	682	-	682	-	14	-	14
<b>Total</b>	<b>-</b>	<b>682</b>	<b>-</b>	<b>682</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Conservative Growth Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Futures	131	-	-	131	58	-	-	58
Options	168	1,204	-	1,372	116	183	-	299
Foreign exchange forward contracts	-	107	-	107	-	516	-	516
Financial assets designated at fair value through profit or loss:								
Equities	14,801	-	-	14,801	20,056	-	-	20,056
Debt securities	-	19,469	-	19,469	-	19,289	-	19,289
Unlisted unit trusts	70,063	230,142	13,156	313,361	93,556	229,180	12,632	335,368
<b>Total</b>	<b>85,163</b>	<b>250,922</b>	<b>13,156</b>	<b>349,241</b>	<b>113,786</b>	<b>249,168</b>	<b>12,632</b>	<b>375,586</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Futures	249	-	-	249	96	-	-	96
Options	-	350	-	350	-	-	-	-
Swaps	-	3,687	-	3,687	-	-	-	-
Foreign exchange forward contracts	-	9	-	9	-	266	-	266
<b>Total</b>	<b>249</b>	<b>4,046</b>	<b>-</b>	<b>4,295</b>	<b>96</b>	<b>266</b>	<b>-</b>	<b>362</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Diversified Growth Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Futures	31	-	-	31	36	-	-	36
Options	73	558	-	631	69	78	-	147
Foreign exchange forward contracts	-	24	-	24	-	471	-	471
Financial assets designated at fair value through profit or loss:								
Equities	7,334	-	-	7,334	8,790	-	-	8,790
Debt securities	-	4,988	-	4,988	-	4,926	-	4,926
Unlisted unit trusts	44,213	57,085	3,925	105,223	44,101	58,720	3,769	106,590
<b>Total</b>	<b>51,651</b>	<b>62,655</b>	<b>3,925</b>	<b>118,231</b>	<b>52,996</b>	<b>64,195</b>	<b>3,769</b>	<b>120,960</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Futures	61	-	-	61	52	-	-	52
Options	-	168	-	168	-	-	-	-
Swaps	-	1,215	-	1,215	-	-	-	-
Foreign exchange forward contracts	-	75	-	75	-	202	-	202
<b>Total</b>	<b>61</b>	<b>1,458</b>	<b>-</b>	<b>1,519</b>	<b>52</b>	<b>202</b>	<b>-</b>	<b>254</b>



## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Diversified Real Return Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets held for trading:								
Futures	747	-	-	747	634	-	-	634
Options	280	3,459	-	3,739	321	355	-	676
Foreign exchange forward contracts	-	100	-	100	-	1,664	-	1,664
Financial assets designated at fair value through profit or loss:								
Equities	52,455	-	-	52,455	51,578	-	-	51,578
Unlisted unit trusts	187,739	123,254	10,803	321,796	128,009	89,858	10,399	228,266
<b>Total</b>	<b>241,221</b>	<b>126,813</b>	<b>10,803</b>	<b>378,837</b>	<b>180,542</b>	<b>91,877</b>	<b>10,399</b>	<b>282,818</b>
<b>Financial liabilities</b>								
Financial liabilities held for trading:								
Futures	1,709	-	-	1,709	494	-	-	494
Options	-	1,124	-	1,124	-	-	-	-
Swaps	-	8,480	-	8,480	-	-	-	-
Foreign exchange forward contracts	-	583	-	583	-	869	-	869
<b>Total</b>	<b>1,709</b>	<b>10,187</b>	<b>-</b>	<b>11,896</b>	<b>494</b>	<b>869</b>	<b>-</b>	<b>1,363</b>

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

Wholesale Balanced Growth Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	736,514	-	736,514	-	731,895	-	731,895
<b>Total</b>	-	736,514	-	736,514	-	731,895	-	731,895

Wholesale Split Growth Fund	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	44,211	-	-	44,211	44,088	-	-	44,088
<b>Total</b>	44,211	-	-	44,211	44,088	-	-	44,088

#### Transfers between levels

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

The following tables present the transfers between fair value hierarchy levels, by class of financial instruments, for the year ended 30 June 2018.

Wholesale SHARE-PLUS Long-Short Fund	30 June 2018		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 3:			
Equities	(2,307)	-	2,307

The transfer from level 1 to level 3 was related to a single listed equity which has gone into voluntary administration on 30 November 2017. The entire value of \$2,307,391 was subsequently written down to zero and recognised in profit or loss at the reporting date.

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

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

The following tables present the movement in level 3 instruments, by class of financial instruments, for the years ended 30 June 2018 and 30 June 2017:

	30 June 2018			30 June 2017	
	Equity securities sold		Total	Equity securities sold	
	Equity	short		short	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale SHARE-PLUS Long-Short Fund</b>					
Opening balance	-	(1,028)	(1,028)	-	-
Purchases	-	-	-	(13,022)	(13,022)
Sales	(568)	-	(568)	1,268	1,268
Transfers to level 3	2,307	-	2,307	-	-
Gains/(losses) recognised in profit or loss	(1,739)	1,028	(711)	10,726	10,726
<b>Closing balance</b>	-	-	-	(1,028)	(1,028)
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	(380)	1,028	648	9,482	9,482

	30 June 2018		30 June 2017		
	Unlisted unit trusts		Total	Unlisted unit trusts	
	\$'000	\$'000		\$'000	\$'000
<b>Wholesale Conservative Growth Fund</b>					
Opening balance	12,632	12,632	12,341	12,341	
Gains/(losses) recognised in profit or loss	524	524	291	291	
<b>Closing balance</b>	13,156	13,156	12,632	12,632	
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	524	524	291	291	

## 17 Financial risk management (continued)

### (d) Fair value measurement (continued)

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

The following tables present the movement in level 3 instruments, by class of financial instruments, for the years ended 30 June 2018 and 30 June 2017:

	30 June 2018		30 June 2017	
	Unlisted unit trusts \$'000	Total \$'000	Unlisted unit trusts \$'000	Total \$'000
<b>Wholesale Diversified Growth Fund</b>				
Opening balance	3,769	3,769	3,682	3,682
Gains/(losses) recognised in profit or loss	156	156	87	87
<b>Closing balance</b>	<b>3,925</b>	<b>3,925</b>	<b>3,769</b>	<b>3,769</b>
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	156	156	87	87

	30 June 2018		30 June 2017	
	Unlisted unit trusts \$'000	Total \$'000	Unlisted unit trusts \$'000	Total \$'000
<b>Diversified Real Return Fund</b>				
Opening balance	10,399	10,399	11,460	11,460
Purchase	482	482	-	-
Sales	(6)	(6)	(1,647)	(1,647)
Gains/(losses) recognised in profit or loss	(72)	(72)	586	586
<b>Closing balance</b>	<b>10,803</b>	<b>10,803</b>	<b>10,399</b>	<b>10,399</b>
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	45	45	586	586

## 18 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.

Apart from the Schemes mentioned in this note, no other Schemes held any financial assets or liabilities subject to offsetting arrangements as at 30 June 2018 and 30 June 2017.

	30 June 2018					30 June 2017				
	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale Income Share Fund</b>										
<b>Financial assets</b>										
Margin accounts	-	-	-	-	-	43	-	43	-	43
<b>Total</b>	-	-	-	-	-	43	-	43	-	43

	30 June 2018					30 June 2017				
	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Wholesale Geared Australian Share Fund</b>										
<b>Financial assets</b>										
Margin accounts	725	-	725	-	725	-	-	-	-	-
Derivative financial instruments	274	-	274	-	274	-	-	-	-	-
<b>Total</b>	999	-	999	-	999	-	-	-	-	-

**18 Offsetting financial assets and financial liabilities (continued)**

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
Wholesale SHARE-PLUS Long-Short Fund	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 set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>										
Margin accounts	-	-	-	-	-	2,401	-	2,401	(240)	2,161
Derivative financial instruments	-	-	-	-	-	150	-	150	(150)	-
<b>Total</b>	-	-	-	-	-	2,551	-	2,551	(390)	2,161
<b>Financial liabilities</b>										
Derivative financial instruments	-	-	-	-	-	(392)	-	(392)	390	(2)
<b>Total</b>	-	-	-	-	-	(392)	-	(392)	390	(2)

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
Wholesale Global Share Fund	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 set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>										
Margin accounts	1,205	-	1,205	-	1,205	-	-	-	-	-
Derivative financial instruments	527	-	527	-	527	705	-	705	-	705
<b>Total</b>	1,732	-	1,732	-	1,732	705	-	705	-	705
<b>Financial liabilities</b>										
Derivative financial instruments	-	-	-	-	-	(254)	-	(254)	-	(254)
<b>Total</b>	-	-	-	-	-	(254)	-	(254)	-	(254)

18 Offsetting financial assets and financial liabilities (continued)

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000	Gross amounts \$'000	Gross amounts set off in the balance sheet \$'000	Net amounts presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Net amounts \$'000
<b>Wholesale Global Share Fund Hedged</b>										
<b>Financial assets</b>										
Derivative financial instruments	16	-	16	(16)	-	245	-	245	-	245
<b>Total</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>(16)</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>245</b>
<b>Financial liabilities</b>										
Derivative financial instruments	(682)	-	(682)	16	(666)	(14)	-	(14)	-	(14)
<b>Total</b>	<b>(682)</b>	<b>-</b>	<b>(682)</b>	<b>16</b>	<b>(666)</b>	<b>(14)</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>(14)</b>

**18 Offsetting financial assets and financial liabilities (continued)**

	30 June 2018					30 June 2017				
	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
<b>Wholesale Conservative Growth Fund</b>										
<b>Financial assets</b>										
Margin accounts	4,683	-	4,683	(3,687)	996	894	-	894	(38)	856
Derivative financial instruments	1,610	-	1,610	(9)	1,601	873	-	873	(58)	815
<b>Total</b>	<b>6,293</b>	<b>-</b>	<b>6,293</b>	<b>(3,696)</b>	<b>2,597</b>	<b>1,767</b>	<b>-</b>	<b>1,767</b>	<b>(96)</b>	<b>1,671</b>
<b>Financial liabilities</b>										
Derivative financial instruments	(4,295)	-	(4,295)	3,696	(599)	(362)	-	(362)	96	(266)
<b>Total</b>	<b>(4,295)</b>	<b>-</b>	<b>(4,295)</b>	<b>3,696</b>	<b>(599)</b>	<b>(362)</b>	<b>-</b>	<b>(362)</b>	<b>96</b>	<b>(266)</b>

	30 June 2018					30 June 2017				
	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
<b>Wholesale Diversified Growth Fund</b>										
<b>Financial assets</b>										
Margin accounts	1,625	-	1,625	(1,215)	410	433	-	433	(16)	417
Derivative financial instruments	686	-	686	(10)	676	654	-	654	(36)	618
<b>Total</b>	<b>2,311</b>	<b>-</b>	<b>2,311</b>	<b>(1,225)</b>	<b>1,086</b>	<b>1,087</b>	<b>-</b>	<b>1,087</b>	<b>(52)</b>	<b>1,035</b>
<b>Financial liabilities</b>										
Derivative financial instruments	(1,519)	-	(1,519)	1,225	(294)	(254)	-	(254)	52	(202)
<b>Total</b>	<b>(1,519)</b>	<b>-</b>	<b>(1,519)</b>	<b>1,225</b>	<b>(294)</b>	<b>(254)</b>	<b>-</b>	<b>(254)</b>	<b>52</b>	<b>(202)</b>



**18 Offsetting financial assets and financial liabilities (continued)**

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet		Related amounts not offset			Effects of offsetting on the balance sheet		Related amounts not offset		
Diversified Real Return Fund	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 set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>										
Margin accounts	13,693	-	13,693	(8,480)	5,213	3,653	-	3,653	-	3,653
Derivative financial instruments	4,586	-	4,586	(54)	4,532	2,974	-	2,974	(494)	2,480
<b>Total</b>	<b>18,279</b>	<b>-</b>	<b>18,279</b>	<b>(8,534)</b>	<b>9,745</b>	<b>6,627</b>	<b>-</b>	<b>6,627</b>	<b>(494)</b>	<b>6,133</b>
<b>Financial liabilities</b>										
Derivative financial instruments	(11,896)	-	(11,896)	8,534	(3,362)	(1,363)	-	(1,363)	494	(869)
<b>Total</b>	<b>(11,896)</b>	<b>-</b>	<b>(11,896)</b>	<b>8,534</b>	<b>(3,362)</b>	<b>(1,363)</b>	<b>-</b>	<b>(1,363)</b>	<b>494</b>	<b>(869)</b>

*Master netting arrangements - not currently enforceable*

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain 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.

## **19 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 exchange forward contracts, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Schemes' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

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

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

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

### **(a) Futures**

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

### **(b) Options**

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

### **(c) Foreign exchange forward contracts**

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

## **19 Derivative financial instruments (continued)**

### **(d) Swaps**

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream.

Interest rate swaps are valued based on the estimated amount that the entity would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Total return swaps are valued at fair value in which payments made by the Schemes or the counterparty are based on the total return of a particular reference asset or assets (such as an equity or fixed income security, a combination of such securities, or an index). The value of the Schemes' swap positions will increase or decrease depending on the changes in value of the underlying rates, currency values, volatility or other indices or measures.

### **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 17. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

## **20 Events occurring after the reporting period**

No significant events have occurred since the reporting date which would have impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2018 or on the results and cash flows of the Schemes for the year ended on that date.

## **21 Contingent assets, liabilities and commitments**

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

**Directors' declaration**

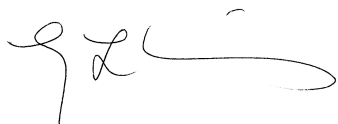
Perpetual Investment Management Limited presents the Directors' declaration in respect of the following Schemes:

Perpetual Dynamic Fixed Income Fund	Perpetual Smaller Companies Fund
Perpetual Income Share Fund	Perpetual Wholesale Smaller Companies Fund No. 2
Perpetual Australian Share Fund	Perpetual Global Share Fund
Perpetual Concentrated Equity Fund	Perpetual Global Share Fund Hedged
Perpetual Ethical SRI Fund	Perpetual Conservative Growth Fund
Perpetual Geared Australian Fund	Perpetual Diversified Growth Fund
Perpetual Wholesale Industrial Fund	Perpetual Diversified Real Return Fund
Perpetual Wholesale International Share Fund	Perpetual Balanced Growth Fund
Perpetual SHARE-PLUS Long-Short Fund	Perpetual Split Growth Fund

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

- (a) the annual financial statements and notes, set out on pages 9 to 122, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2018 and of their performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



Director

Sydney  
19 September 2018



## Independent Auditor's Report

---

To the respective unitholders of the following Schemes:

Perpetual Dynamic Fixed Income Fund;  
Perpetual Income Share Fund;  
Perpetual Australian Share Fund;  
Perpetual Concentrated Equity Fund;  
Perpetual Ethical SRI Fund;  
Perpetual Geared Australian Fund;  
Perpetual Wholesale Industrial Fund;  
Perpetual Wholesale International Share Fund;  
Perpetual SHARE-PLUS Long-Short Fund;

Perpetual Smaller Companies Fund;  
Perpetual Wholesale Smaller Companies Fund No. 2;  
Perpetual Global Share Fund;  
Perpetual Global Share Fund Hedged;  
Perpetual Conservative Growth Fund;  
Perpetual Diversified Growth Fund;  
Perpetual Diversified Real Return Fund;  
Perpetual Balanced Growth Fund; and  
Perpetual Split Growth Fund

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

### Opinions

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

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

- Balance Sheets as at 30 June 2018
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.



## Basis for opinions

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the 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* (the Code) that are relevant to our audit of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinions on the Financial Reports do 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 Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

## Responsibilities of the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls to enable the preparation of a Financial Reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and



- 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 Reports

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports as a whole is 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 this Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) This description forms part of our Auditor's Report.

KPMG

Jessica Davis

*Partner*

Sydney

19 September 2018



**AUSTRALIAN CAPITAL  
TERRITORY**

Level 6  
10 Rudd Street  
Canberra ACT 2601

**NEW SOUTH WALES**

Angel Place  
Level 18  
123 Pitt Street  
Sydney NSW 2000

**QUEENSLAND**

Central Plaza 1  
Level 15  
345 Queen Street  
Brisbane QLD 4000

**SOUTH AUSTRALIA**

Level 11  
101 Grenfell Street  
Adelaide SA 5000

**VICTORIA**

Rialto South Tower  
Level 29  
525 Collins Street  
Melbourne VIC 3000

**WESTERN AUSTRALIA**

Exchange Tower  
Level 29  
2 The Esplanade  
Perth WA 6000

[www.perpetual.com.au](http://www.perpetual.com.au)