
Perpetual's Pooled Superannuation Trust

Annual Report

ANNUAL REPORT
YEAR ENDED 30 JUNE 2022

Perpetual Superannuation Limited
ABN 84 008 416 831 AFSL 225246 RSE L0003315

Perpetual 

Trust

Perpetual's Pooled Superannuation Trust (PST)
ABN 89 544 906 125
RSE R1057027

Issuer and trustee

Perpetual Superannuation Limited (Trustee)
ABN 84 008 416 831
AFSL 225246
RSE L0003315

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Important notes and disclaimer

This Annual Report (Report) provides the fund information required under the Corporations Act 2001 and has been prepared by the Trustee in September 2022 for unitholders in the PST. This Report should be read in conjunction with your Annual Statement for the year ended 30 June 2022 providing specific details of your fund's investment in the PST.

In this Report, 'we', 'us', 'our' and 'Perpetual Superannuation' are references to the Trustee.

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

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

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Message from the Chair, Perpetual Superannuation Limited

I am pleased to present the Annual Report for the financial year ended 30 June 2022.

Superannuation is a key pillar to help your members enjoy their retirement years. We recognise the time, effort and commitment you have shown to growing the retirement savings of your members, and we are proud that you have chosen Perpetual Superannuation Limited (PSL) to help manage their financial future.

Continued investment performance that meets investment objectives

In FY22 global investment markets weakened driven by macro-economic conditions including rising interest rates, slowing growth, disrupted supply chains and increasing geopolitical tensions. This is reflected in the returns of the investment option over the year.

Irrespective of the global challenges faced, our aim is to assist you in consistently meeting the investment objectives of your investment. We remain committed to the long-term investment strategy regardless of the short-term factors influencing movements in the financial markets. The PST – Industrial Share option delivered the following investment returns as at 30 June 2022.

Investment option	1 Year	3 Years	5 Years
PST – Industrial Share ¹	-7.22%	3.46%	4.28%

¹Investment performance has been calculated using unit prices net of any investment fees, indirect costs and tax of up to 15%. Care should be exercised in relying on past performance. Past performance is not indicative of future performance.

FY22 has reinforced just how important a disciplined investment approach applied consistently over time can be. It also saw the continued growth and increasing importance investors place on Environmental, Social & Governance (ESG) matters, particularly in terms of where – and how – they invest.

We recognise ESG issues such as climate change and modern slavery continue to rank among the top priorities for superannuation members and stakeholders. The consideration of ESG factors is integrated into our investment monitoring process. We believe that embedding ESG principles in investment philosophies, strategies and processes can help promote more sustainable economic growth, which should translate into higher and more consistent investment returns over time.

Enhanced member engagement

Our friendly contact team aspires to deliver outstanding service for unitholders. The team comprises of highly experienced specialists who are on-hand, located here in Australia, from 9am to 5pm (Sydney time), Monday to Friday to answer questions, process requests and deliver service to the highest industry standards.

We continue to improve our online member portal, myPerpetual, with the rollout of additional features to assist. If you have not registered to have online access to your account, I would encourage you to do so.

Thank you for continuing to entrust us to look after your fund's investments.

**Janet Torney – Chair,
Perpetual Superannuation Limited**

Product update

Product Disclosure Statement (PDS)

You can download the current PDS (including any PDS updates), together with any incorporated documents, from our website or obtain a copy, free of charge, by contacting us.

Latest information about fees and costs

The latest information about ongoing annual fees and costs is published on our website each year.

Investment information

Trustee's investment objective

The Trustee's investment objective is to provide a suitable investment strategy for trustees of complying superannuation funds, approved deposit funds and certain other funds which comply with the Superannuation Industry (Supervision) Act 1993 (SIS) and its regulations that are seeking to gain exposure to industrial shares as part of their fund's investment portfolio.

Trustee's investment strategy

The PST's Industrial Share investment strategy is fully invested in Perpetual Industrial Share Fund, an underlying managed investment scheme (underlying fund). Details of the Industrial Share investment strategy are provided in the 'Investment strategy profile', including:

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

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

Investment performance has been calculated using unit prices net of any annual investment fees and indirect costs and tax of up to 15%. Care should be exercised in relying on past performance. Past performance is not indicative of future performance.

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

Derivatives

The underlying fund may use derivatives to manage risks and asset exposure. While derivatives may be used for trading purposes, they are not used to gear investments.

Investment manager

Perpetual Investment Management Limited (ABN 18 000 866 535, AFSL 234426) (PIML) is the investment manager appointed by the Trustee to manage the investment strategy as at 30 June 2022. PIML is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827) and part of the Perpetual Group.

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

Obtaining updated details on the investment strategy

Investment details

From time to time, some of the information provided in the PDS about the PST's investment strategy may change. This includes details such as the:

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

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

Fees and costs

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

Buy/sell spreads

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

The current buy/sell spread as at 15 September 2022 is as follows.

Investment strategy	Buy/sell spread
Industrial Share	0.24%/0.00%

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

Investment strategy profile

	Industrial Share		
Investment objective	Aims to: <ul style="list-style-type: none"> provide long-term capital growth and regular income through investment in quality industrial shares outperform the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods. 		
Risk level¹	6 – High		
Investment guidelines	Industrial shares ²	90-100%	
	Cash	0-10%	
Commencement date	July 1995		
Size as at 30 June 2022	\$57.3 million		
Total annual investment fees and estimated indirect costs for year ended 30 June 2022	1.08%		
Investment performance (net earnings) % pa	Year ended 30 June	Tax paid return	
	2020	-10.3%	
	2021	33.0%	
	2022	-7.2%	
	Compound average returns to 30 June 2022		
	3 years	3.5%	
	5 years	4.3%	
	10 years	8.7%	
	Since inception	10.3%	
Asset allocations	As at 30 June	2021	2022
	Industrial shares	98%	96%
	Cash	2%	4%

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

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

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

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

Unitholders should still ensure they are comfortable with the risks and potential losses associated with their chosen investment options.

- 2 The underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 10% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time.

Underlying investments

The following table provides details of the PST's underlying investments in unlisted managed investment schemes that had a value in excess of 5% of the PST's total assets as at 30 June 2022. Totals may vary slightly to the sum of the various components due to rounding.

Underlying investments	Value of investment (\$m)	Percentage of total PST assets
Perpetual Industrial Share Fund	\$49.659	86.5%
Sub-total	\$49.659	86.5%
All other	\$7.779	13.5%
Total PST assets	\$57.438	100.00%

Trust and other information

The PST

The PST is a pooled superannuation trust under SIS. The Trustee operates, and intends to continue to operate, the PST as a complying pooled superannuation trust.

Trust Deed

The Trust Deed dated 21 June 1995 (as amended) is a legal document that sets out the provisions governing the operation of the PST and the rights and obligations of unitholders and the Trustee. The Trustee is responsible for ensuring that the PST operates according to the Trust Deed and that the PST complies with all relevant laws.

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

Inquiries and complaints

We're committed to providing you with the highest level of service and the Trustee has established procedures for dealing with any inquiries and complaints.

Inquiries

If you have an inquiry, you can either phone us on 1800 022 033 during business hours, email us at investments@perpetual.com.au or write to:

Client Services
Perpetual PST
GPO Box 4171
Sydney NSW 2001

Complaints

If you have a complaint about your investment in the PST or a Trustee decision that affects you, you should take one of the following steps:

1. Contact one of our Client Services representatives on 1800 022 033 and tell them about your complaint.
2. Email your complaint to MyComplaint@perpetual.com.au.
3. Complete our online complaints submission form available at www.perpetual.com.au/privacy-policy/making-a-complaint.
4. Put your complaint in writing and mail it to:

Client Services – Complaints
Perpetual PST
GPO Box 4171
Sydney NSW 2001

We will endeavour to respond to your complaint fairly and as quickly as we can and by no later than the maximum response timeframe of 45 days. If we have not had a reasonable opportunity to respond to your complaint before the maximum response timeframe ends, we will write to you to let you know.

If, before the maximum response timeframe for your complaint has passed, you don't feel as though your concerns are being heard or have received our response and are not satisfied with the resolution that has been proposed, our Client Advocacy Team may be able to assist you. Please see www.perpetual.com.au/about/client-advocacy for information on how to get in touch with our Client Advocacy Team members.

If, at any time you are not satisfied with our response to your complaint, any aspect of our complaints handling process or if you have not received a response within the maximum response timeframe, the Australian Financial Complaints Authority (AFCA) might be able to assist you.

Australian Financial Complaints Authority

We are members of the AFCA external dispute resolution scheme.

AFCA has been established by the Commonwealth Government to deal with complaints from consumers and small businesses about financial services firms. AFCA service is free of charge to you.

Contact details for AFCA are as follows:

Phone	1800 931 678
Email	info@afca.org.au
Website	www.afca.org.au
Mail	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

Abridged financial information

The general purpose financial report for the PST has been prepared in accordance with the requirements of the Trust Deed, Australian Accounting Standards, SIS and other relevant legislative requirements. The general purpose financial report for the PST also complies with the International Financial Reporting Standard (IFRS).

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

Allocation of investment earnings

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

Interest earned on application and withdrawal accounts

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

Suspension of applications and withdrawals

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

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

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

In addition, the Trustee can suspend the payment of a withdrawal for up to 30 days from the date the withdrawal notice was received if the Trustee considers it appropriate.

Appendix 1: Abridged financial statements

Statement of comprehensive income for the year ended 30 June 2022

	2022 \$,000	2021 \$,000
Investment income		
Distributions	9,332	2,778
Net changes in fair value of investments	(14,558)	17,486
Other income	163	364
Total net investment income/(loss)	(5,063)	20,628
Income tax benefit/(expense)	(111)	(434)
Total comprehensive income	(5,174)	20,194

Balance sheet as at 30 June 2022

	2022 \$,000	2021 \$,000
Assets		
Financial assets at fair value through profit or loss	49,659	61,499
Receivables	7,779	3,570
Total assets	57,438	65,069
Liabilities		
Payables	-	833
Current tax liabilities	111	434
Total liabilities	111	1,267
Net assets attributable to unitholders – equity	57,327	63,802

Statement of changes in equity for the year ended 30 June 2022

	2022 \$,000	2021 \$,000
Total equity at the beginning of the year	63,802	-
Reclassification of units from financial liability to equity ¹	-	71,173
Comprehensive income for the year		
Profit/(loss)	(5,174)	20,194
Transactions with unitholders		
Applications	8,413	24,978
Redemptions	(9,714)	(52,543)
Total transactions with unitholders	(1,301)	(27,565)
Total equity at the end of the year	57,327	63,802

- ¹ Effective from 17 June 2021, the Trust's units have been reclassified from financial liability to equity.

Australian Capital Territory

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New South Wales

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123 Pitt Street
Sydney NSW 2000

Queensland

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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

Trust is earned.

Perpetual 