

Kaplan Pooled Superannuation Trust

(ABN: 54 808 466 581)

(RSE: R1001228)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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Issued by Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235153, GPO Box 3001, Collins St VIC 3001), as trustee of the Kaplan Pooled Superannuation Trust, ABN 54 808 466 581. Contact details for Kaplan Funds Management Pty Limited (the “Investment Manager” and “Administrator” - ABN 98 079 218 643 AFSL 240815) are:

Phone: (02) 8917-0300

Email: enquiries@kaplanfunds.com.au

Website: www.kaplanfunds.com.au

Postal address: Suite 607, 180 Ocean Street, Edgecliff, NSW 2027

This annual report should be read in conjunction with your annual member / investor statement.

Important Information

Trustee

The Trustee of Kaplan Pooled Superannuation Trust (PST) for the 12 months to 30 June 2019 was Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235153).

Directors of the Trustee as at 30 June 2019 were:

Vin Plant (Chairman)

Robyn FitzRoy

Murray Jones

Andrew Peterson

Fiona McNabb

Investment Manager

The Trustee has appointed Kaplan Funds Management Pty Limited (ABN 98 079 218 643, AFSL 240815) as Investment Manager of the Kaplan Pooled Superannuation Trust.

Trustee Indemnity Insurance

The Trustee has taken out Professional Indemnity insurance to protect it from certain liabilities that may be incurred in carrying out its duties as Trustee. However cover is subject to the terms and conditions of the indemnity insurance policy.

Investment Strategy

The Trustee and Investment Manager aspire to create wealth over time for investors through the application of an absolute return and income focused approach to the management of assets. The absolute return investment approach of the Investment Manager is derived from an income oriented investment style combined with an active, value orientated, risk averse and disciplined management focus.

The Fund may invest up to 100% of its assets in listed equities and will maintain a minimum at any time of 50% of its assets in such investments. The Investment Manager will try to limit investment risk by closely examining an entity's underlying assets, gearing, management, competitive position and markets for its products. Investment will predominantly be in Australian listed equities and other Australian listed securities and listed property trusts. The Fund may at times hold New Zealand listed securities. The Fund may use financial derivatives such as futures contracts, warrants and options, but only as an alternative to direct purchases or sales of assets, hedging of risk including any foreign currency risk, and enhancement of returns but not for speculative purposes. The Fund invests in a range of different companies and sectors which can assist in diversifying your investment across a wide range of asset types including shares, listed property, fixed interest, hybrid securities and cash.

Investment return objective	The investment return objective of the Fund is to achieve a rate of return which is at least 3% per annum above inflation as measured by movements in the CPI over each rolling three year period.
Performance benchmark	The Performance Benchmark is based on returns in excess of the growth in the S&P/ASX 200 Accumulation Index.
Strategic asset allocation	Cash 0%-50% Equities 50%-100%
Minimum suggested investment timeframe	The investment is designed for investment over the medium term (i.e. to 5 years)
Summary risk level	Medium (Probability of negative return in 4 out of every 20 years)
Type of investor for whom suitable	Eligible superannuation entities that are looking for a fund with low to medium volatility

Statement of Assets as at 30 June 2019

Asset Allocation 30 June 2019:

Cash 2.2%

Equities 97.8%

Asset Allocation 30 June 2018:

Cash 1.7%

Equities 98.3%

The following investments are in excess of 5% of the total assets of the Kaplan PST as at 30 June 2019:

BHP Billiton	14.8%
Westpac Banking Corporation	6.3%
National Australia Bank	5.5%
Charter Hall Long WALE REIT	5.2%

Fees and Costs

Fee definitions

Prescribed definitions of fees can be found in the Additional Information Booklet which is accessible on our website: <http://www.kaplanfunds.com.au/investment-trusts/pooled-super-trust>

Indirect Cost Ratio

The fees that make up the Indirect Cost Ratio (ICR) are as follows:

Investment Manager's Fee: 0.87125% of Fund assets p.a. (a performance fee may also be charged*), deducted from Fund assets, payable monthly in arrears.

Trustee fee: \$66,000 p.a. deducted from Fund assets, payable monthly in arrears. A fee of \$22,000 p.a. is also deducted from the Fund to pay the Trustee to hold a reserve for the Fund's operational risk financial requirement ("ORFR")

Recoverable expenses: (such as custody, audit, registry) Up to 0.2% of Fund assets per annum, deducted from Fund assets, payable monthly in arrears.

*The Investment Fee may include a performance fee. The Investment Manager is entitled to a performance fee equal to 15.375% of the net performance increases in the Fund over and above the S&P/ASX 200 Accumulation Index ("Benchmark"). The performance fee is calculated and accrued monthly but payable at the end of the financial year. The performance fee is determined on the Fund's net performance, which is calculated as the performance of the Fund after allowing for all fees and expenses including the Investment Manager's fee. If the Fund underperforms relative to the Benchmark, no performance fee is payable until the shortfall is recouped.

Additional explanation of fees and costs are disclosed in the Unitholders' 2019 Annual Periodic Statement.

Transaction costs (buy/sell spread)

Transaction costs are the costs of buying and selling investments, such as brokerage fees and government charges. Transaction costs are an additional cost to the investor. These costs are additional costs added to the unit price on entry and deducted from the unit price on exit, and are paid out of the Fund. The current allowance for Transaction Costs is 0.25% of the unit price. This ensures that incoming and exiting investors meet transaction costs incurred when buying or selling investments so as not to disadvantage existing investors in the Fund. Transaction costs are not retained by the Trustee or external managers.

Taxation

The benefits of tax deductions received for costs incurred are passed on to unitholders in the form of reduced tax liability for the Fund. For other taxation details please refer to section 7 of the PDS. You should read the important information about fees and costs of super before making a decision. Go to “Fees and Costs” located in the Additional Information Booklet. The material relating to fees and costs may change between the time when you read this Statement and the day when you acquire the product.

Further Information

For further information and for up-to-date information on the investment strategies please contact the Manager with the contact details on the front page.

Dispute Resolution

You can notify us in writing if you have a complaint and address it to:

The Complaints Officer
Kaplan Funds Management Pty Limited
Suite 607
180 Ocean Street
Edgecliff
NSW 2027
Telephone: (02) 8917 0300 Facsimile: (02) 8917 0355

The Manager will address your complaints and will ensure that they are answered within 45 days. If your complaint is not dealt with to your satisfaction by the Manager, you may refer your complaint to the Australian Financial Complaints Authority (AFCA) contact details below:

GPO Box 3
Melbourne, Victoria, 3001
Tel: 1800 931 678
Email: info@afca.org.au

Penalties

In the 12 months to 30 June 2019 Kaplan PST and the Trustee received no penalties or enforceable undertakings under SIS legislation.

Performance Information - Accumulation Units

Fund Performance %	Inception 20.2yrs pa	10 yrs pa	5 yrs pa	3 yrs pa	2 yrs pa	1 yr pa	Jun Qtr
KFM PST Accumulation Units (after fees, tax & expenses)	9.27	8.18	6.94	9.87	9.46	12.25	4.17
ASX 200 Accum. Index	8.60	10.02	8.85	12.88	12.28	11.55	7.97
Relative Performance	0.67	-1.84	-1.91	-3.01	-2.82	0.71	-3.81
Fund Volatility/Risk	6.5%	5.5%	5.0%	4.0%	3.9%	4.4%	
ASX 200 Volatility/Risk	14.2%	11.8%	11.2%	9.2%	9.2%	10.9%	

Accumulation Unit performance is shown above inclusive of tax liabilities.

Fund Performance % Medium term objective*	Inception 20.2yrs pa	7 yrs pa	5 yrs pa	3 yrs pa
KFM PST Accumulation Units after fees, tax & expenses	9.27	8.02	6.94	9.87
CPI Index + 3%*	5.61	4.93	4.63	4.87
Relative Performance	3.66	3.09	2.31	5.00

Performance Information - Pension Units

Fund Performance %	Inception 3.8 yrs pa	3 yr pa	2 yr pa	1 yr pa	Jun Qtr
KFM PST Pension Units after fees & expenses	10.02	11.23	10.57	13.73	4.54
ASX 200 Accumulation Index	11.20	12.88	12.28	11.55	7.97
Relative Performance	-1.18	-1.65	-1.71	2.19	-3.43

[^]Inception date 31/8/15. Pension unit is tax exempt.

Financial Information

This is a summary of the Trust's audited accounts (including both accumulation and pension assets) for the year ended 30 June 2019.

Statement of Comprehensive Income	Year ended	
	30 June 2019	30 June 2018
Investment Income		
Interest	178,851	305,113
Dividend Income	1,430,932	1,239,925
Distributions	474,106	440,626
Net gains on financial instruments held at fair value through profit or loss	2,677,587	998,050
Other operating income	33,549	14,930
Total net investment income	4,795,025	2,998,644
Expenses		
Manager's fees	317,612	354,850
Trustee's fees	83,764	83,185
Custody fees	31,949	27,692
Auditor's remuneration	41,457	38,968
Other operating expenses	35,294	36,534
Total operating expenses	510,076	541,229
Operating Profit before income tax expense/(benefit)	4,284,949	2,457,415
Income tax (benefit)/expense	(246,244)	(423,806)
Operating Profit for the year after income tax expense/(benefit)	4,531,193	2,881,221
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	4,531,193	2,881,221

Balance Sheet	As at	
	30 June 2019	30 June 2018
Assets		
Cash and cash equivalents	895,568	519,065
Due from brokers – receivable for securities sold	370,972	377,085
Receivables	343,341	371,687
Financial Assets held at fair value through profit or loss	39,614,650	37,269,907
Current year tax benefit	342,760	343,773
Deferred tax asset	-	-
Total assets	41,4567,291	38,881,517
Liabilities		
Payables	322,717	531,789
Financial liabilities held at fair value through profit or loss	1,109,464	435,652
Deferred tax liabilities	261,251	168,062
Total liabilities	1,693,432	1,135,503
Equity		
Unitholders' funds	39,873,859	37,746,014

The full audited Financial Statements as at 30 June 2019 are available on our website at www.kaplanfunds.com.au/investment-reports and can be sent to unitholders on request.