

First Sentier Domestic Funds Annual Report For the year ended 30 June 2022

This annual report covers the following First Sentier Domestic Funds:

First Sentier Cash Fund

ARSN 634 630 229

First Sentier Ex-20 Australian Share Fund

ARSN 634 637 620

(the "First Sentier Domestic Funds")

First Sentier Domestic Funds Annual Report For the year ended 30 June 2022

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These financial statements cover First Sentier Cash Fund and First Sentier Ex-20 Australian Share Fund as individual entities.

The Responsible Entity of the Funds is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235 150). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

Directors' Report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of First Sentier Domestic Funds (the "Funds"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Funds for the year ended 30 June 2022.

Principal activities

The Funds are registered managed investment schemes domiciled in Australia.

First Sentier Cash Fund seeks investment in a portfolio of domestic short term money market securities which the Fund may access directly or indirectly. The Fund is actively managed and invests in assets that the Investment Manager believes offers the best value-for-risk by taking into account economic analysis and market trends.

First Sentier Ex-20 Australian Share Fund targets Australian companies in the S&P/ASX 300, but outside the S&P/ASX 'Top' 20 Index that are growing strongly and generate superior returns on capital. By tapping into the broader opportunity set of the S&P/ASX 300, the Fund is able to diversify away from the larger financials and resources companies that dominate the S&P/ASX 'Top' 20 Index and focus on medium to small cap, quality Australian companies with solid balance sheets, strong earnings growth and high or improving returns on invested capital.

First Sentier Cash Fund was constituted on 3 July 2019 and commenced operations on 13 December 2019.

First Sentier Ex-20 Australian Share Fund was constituted on 3 July 2019 and commenced operations on 26 September 2019.

The Funds did not have any employees during the year.

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

Directors

The Directors of The Trust Company (RE Services) Limited during the year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Glenn Foster
Simone Mosse
Vicki Riggio
Phillip Blackmore Alternate Director for Vicki Riggio
Richard McCarthy Resigned as Director on 1 February 2022

Review and results of operations

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

Results

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

	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
	Year ended		Year ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Operating profit/(loss) (\$)	<u>(1,660)</u>	<u>4,387</u>	<u>(714,993)</u>	<u>639,558</u>
Distributions paid and payable (\$)	<u>794</u>	<u>2,934</u>	<u>204,913</u>	<u>55,998</u>
Distributions (cents per unit)	<u>0.06</u>	<u>0.55</u>	<u>9.48</u>	<u>3.23</u>

Directors' Report (continued)

Significant changes in the state of affairs

The Directors continue to assess the potential financial and other impacts of the coronavirus ("COVID-19") outbreak to the Funds. The current high-level of uncertainty regarding the severity and length of COVID-19 on investment markets has impacted investment outcomes and increased volatility in investment performance during the period.

At the date of signing, the future impacts of COVID-19 on global and domestic economies and investment market indices, and their resulting impact on the Funds are uncertain. The Directors and management will continue to monitor this situation.

Further to this, the current geopolitical events have also had a global market impact and uncertainty exists as to their implications. Such disruptions can adversely affect the assets, performance and liquidity of investment funds.

Recognising the Russia/Ukraine conflict as well as Australia's broadening of its existing autonomous sanctions, the Directors and management continue to remain abreast of developments in this area and monitor the potential impacts across the Funds.

On 1 February 2022, Richard McCarthy resigned as a Director.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Funds that occurred during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditor

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Funds. So long as the officers of the Responsible Entity act in accordance with the Funds' Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

The auditor of the Funds are in no way indemnified out of the assets of the Funds.

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

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in Note 18 to the financial statements.

No fees were paid out of the Funds' property to the Directors of the Responsible Entity during the year.

The number of units in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 18 to the financial statements.

Units in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 8 of the financial statements.

Directors' Report (continued)

The value of the Funds' assets and liabilities is disclosed in the Statements of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest dollar

The Funds are entities of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with the *ASIC Corporations Instrument*, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services)
Limited

Sydney
21 September 2022

The Board of Directors
The Trust Company (RE Services) Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

21 September 2022

Dear Directors,

**Auditor's Independence Declaration to First Sentier Ex-20 Australian Share Fund and First Sentier Cash Fund
(collectively the "Funds")**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of The Trust Company (RE Services) Limited, as the Responsible Entity for the Funds.

As lead audit partner for the audit of the financial statements of the Funds for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountants

Statement of comprehensive income

	Notes	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
		Year ended		Year ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$	\$	\$	\$
Investment income					
Dividend/Trust distribution income		10,544	1,339	32,359	29,448
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(14,066)	1,777	(713,096)	647,389
Net foreign currency gains/(losses) on financial instruments not at fair value through profit or loss	17	-	-	154	31
Other income	15	127,743	126,489	116,976	125,761
Total investment income		<u>124,221</u>	<u>129,605</u>	<u>(563,607)</u>	<u>802,629</u>
Expenses					
Management fees	18	6,463	-	15,356	-
Performance fees	18	-	-	12,610	18,716
Responsible Entity's fees	18	573	21,074	322	20,900
Administration and custody fees		77,485	71,807	79,039	86,679
Transaction costs		-	-	2,216	1,933
Professional fees	12	39,306	32,245	39,306	31,874
Other expenses	16	2,054	92	2,537	2,969
Total operating expenses		<u>125,881</u>	<u>125,218</u>	<u>151,386</u>	<u>163,071</u>
Operating profit/(loss) before finance costs		<u>(1,660)</u>	<u>4,387</u>	<u>(714,993)</u>	<u>639,558</u>
Finance costs attributable to unitholders					
Distributions to unit holders	9	-	-	204,913	-
(Increase)/decrease in net assets attributable to unit holders	8	-	-	(919,906)	-
Profit/(loss) for the financial year		<u>(1,660)</u>	<u>4,387</u>	<u>-</u>	<u>639,558</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		<u>(1,660)</u>	<u>4,387</u>	<u>-</u>	<u>639,558</u>

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

Statement of financial position

	Notes	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
		As at		As at	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	10	542,759	99,041	146,368	84,609
Due from brokers		-	-	4,137	8,706
Receivables	13	23,743	36,684	27,077	49,479
Financial assets at fair value through profit or loss	6	19,213,348	2,314,194	2,184,182	2,536,236
Total assets		19,779,850	2,449,919	2,361,764	2,679,030
Liabilities					
Due to brokers		480,000	-	-	54,833
Management fees payable	18	2,421	-	3,079	-
Performance fees payable	18	-	-	-	8,423
Responsible Entity's fees payable	18	192	5,410	79	5,440
Administration and custody fees payable		19,235	32,839	20,011	37,409
Other payables	14	102,924	33,817	39,111	33,781
Distributions payable	9	-	193	204,913	55,998
Total liabilities		604,772	72,259	267,193	195,884
Net assets attributable to unitholders - liability*	8	-	-	2,094,571	-
Net assets attributable to unitholders - equity	8	19,175,078	2,377,660	-	2,483,146

*First Sentier Ex-20 Australian Share Fund's net assets attributable to unitholders has been reclassified from equity to financial liability during the year ended 30 June 2022 as the Fund no longer satisfies all criteria of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
		Year ended		Year ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$	\$	\$	\$
Total equity at the beginning of the financial year	8	2,377,660	146,135	2,483,146	1,669,586
Reclassification of units from equity to financial liability*		-	-	(2,483,146)	-
Comprehensive income for the financial year					
Profit/(loss) for the financial year		<u>(1,660)</u>	<u>4,387</u>	<u>-</u>	<u>639,558</u>
Total comprehensive income for the financial year		<u>(1,660)</u>	<u>4,387</u>	<u>-</u>	<u>639,558</u>
Transactions with unitholders					
Applications	8	18,296,001	2,285,235	-	230,000
Redemptions	8	(1,496,166)	(56,225)	-	-
Units issued upon reinvestment of distributions	8	37	1,062	-	-
Distributions paid and payable	8	(794)	(2,934)	-	(55,998)
Total transactions with unitholders		<u>16,799,078</u>	<u>2,227,138</u>	<u>-</u>	<u>174,002</u>
Total equity at the end of the financial year		<u>19,175,078</u>	<u>2,377,660</u>	<u>-</u>	<u>2,483,146</u>

*First Sentier Ex-20 Australian Share Fund's net assets attributable to unitholders has been reclassified from equity to financial liability during the year ended 30 June 2022 as the Fund no longer satisfies all criteria of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

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

Statement of cash flows

	Notes	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
		Year ended		Year ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$	\$	\$	\$
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		546,798	356,007	1,156,357	990,505
Payments for purchase of financial instruments at fair value through profit or loss		(16,969,560)	(2,566,559)	(1,567,663)	(1,109,493)
Net foreign exchange gains/(losses)		-	-	154	31
Dividends/distribution received		-	44	31,452	27,705
Other income received		140,770	143,690	140,028	133,594
Management fees paid		(4,042)	-	(12,277)	-
Performance fees paid		-	-	(21,033)	(33,119)
Administration and custody fees paid		(91,089)	(95,149)	(96,437)	(122,332)
Responsible Entity's fees paid		(5,791)	(23,707)	(5,683)	(23,666)
Payment of other expenses		(35,844)	(39,525)	(38,472)	(43,919)
Net cash inflow/(outflow) from operating activities	11(a)	(16,418,758)	(2,225,199)	(413,574)	(180,694)
Cash flows from financing activities					
Proceeds from applications by unitholders	7	18,296,001	2,285,235	485,000	230,000
Payments for redemptions by unitholders	7	(1,432,575)	(56,225)	-	-
Distributions paid		(950)	(2,828)	(9,667)	-
Net cash inflow/(outflow) from financing activities		16,862,476	2,226,182	475,333	230,000
Net increase/(decrease) in cash and cash equivalents		443,718	983	61,759	49,306
Cash and cash equivalents at the beginning of the year		99,041	98,058	84,609	35,303
Cash and cash equivalents at the end of the year	10	542,759	99,041	146,368	84,609
Non-cash financing activities	11(b)	10,495	2,442	46,331	-

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

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1 General information

These financial statements cover First Sentier Cash Fund and First Sentier Ex-20 Australian Share Fund (the “Funds”) as individual entities.

First Sentier Cash Fund was constituted on 3 July 2019, registered by Australian Securities and Investments Commission (ASIC) as a managed investment scheme on 15 July 2019 and commenced operations on 13 December 2019. The Fund will terminate in accordance with the provisions of the Fund’s Constitution.

First Sentier Ex-20 Australian Share Fund was constituted on 3 July 2019, registered by Australian Securities and Investments Commission (ASIC) as a managed investment scheme on 15 July 2019 and commenced operations on 26 September 2019. The Fund will terminate in accordance with the provisions of the Fund’s Constitution.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity of the Funds (the “Responsible Entity”). The Responsible Entity’s registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW, 2000.

The investment manager of the Funds is First Sentier Investors (Australia) IM Limited (the “Investment Manager”).

First Sentier Cash Fund seeks investment in a portfolio of domestic short term money market securities which the Fund may access directly or indirectly. The Fund is actively managed and invests in assets that the Investment Manager believes offers the best value-for-risk by taking into account economic analysis and market trends.

First Sentier Ex-20 Australian Share Fund targets Australian companies in the S&P/ASX 300, but outside the S&P/ASX ‘Top’ 20 Index that are growing strongly and generate superior returns on capital. By tapping into the broader opportunity set of the S&P/ASX 300, the Fund is able to diversify away from the larger financials and resources companies that dominate the S&P/ASX ‘Top’ 20 Index and focus on medium to small cap, quality Australian companies with solid balance sheets, strong earnings growth and high or improving returns on invested capital.

The financial statements of the Funds are for the year ended 30 June 2022. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the directors of the Responsible Entity (the “Directors of the Responsible Entity”) on 21 September 2022. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

The Statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and financial liabilities at fair value through profit or loss and net assets attributable to unitholders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at year end.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, unitholders typically retain units for the medium to long-term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Funds also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(b) Financial instruments

(i) Classification

- Assets:

The Funds classify their investments based on their business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolios of financial assets are managed and their performance are evaluated on a fair value basis in accordance with the Funds' documented investment strategies. The Funds' policies are for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

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

Investments are derecognised when the right to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statements of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

Further details on how the fair values of financial instruments are determined are disclosed in Note 4.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of financial position 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.

At the end of the reporting period, there are no financial assets or liabilities offset or which could be offset in the Statements of financial position.

(v) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash, due from broker and receivables) at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(c) Net assets attributable to unitholders

Units are redeemable at the 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 Funds at any time for cash based on the redemption price.

The units are carried at the redemption amount that is payable at balance sheet date if the unitholder exercises the right to put the units back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under *AASB 132 Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Funds' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

First Sentier Cash Fund's units have been classified as equity as they satisfied all the above criteria. This has been consistently applied during the year.

First Sentier Ex-20 Australian Share Fund classifies the net assets attributable to unit holders as liabilities as they do not satisfy all the above criteria.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

Cash comprises deposits held at custodian bank(s). Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Payments and receipts relating to the purchase and sale of financial instruments are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

(e) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the Statements of comprehensive income within dividend income and distribution income when the Funds' right to receive payments is established.

Dividend and distribution income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement of comprehensive income.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements. Other income is recognized on an accruals basis.

(f) Expenses

All expenses are inclusive of GST, including Responsible Entity's fees, administration fees and custody fees, are recognised in the Statements of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, First Sentier Cash Fund is not subject to income tax provided it attribute the entirety of its taxable income to their unitholders. First Sentier Ex-20 Australian Share Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

(h) Distributions and Dividends

Distributions are payable as set out in the Funds' offering documents. Such distributions are determined by the Responsible Entity of the Funds. Distributable income includes capital gains arising from the disposal of financial instruments. Unrealised gains and losses on financial instruments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Funds are not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

Dividend income is recognised on the ex-dividend date.

2 Summary of significant accounting policies (continued)

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. As First Sentier Cash Fund's units are classified as equities, movements in net assets attributable to unitholders are recognised in the Statements of changes in equity. As the First Sentier Ex-20 Australian Share Fund's units are classified as financial liabilities, movements in net assets attributable to unitholders are recognised in the Statement of comprehensive income as finance costs.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(k) Due from/to Brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

(l) Receivables

Receivables include amounts for dividends, interest and trust distributions. Dividends are accrued when the right to receive payment is established. Interest is accrued at each dealing date in accordance with the policy set out in Note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credits ("RITC") and application monies receivable from unitholders.

Receivables are recognised at amortised cost using the effective interest method, less any allowance for Expected Credit Loss (ECL). The Funds have applied a simplified approach to measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, receivables have been grouped based on days overdue.

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

(m) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period. Payables may include amounts for redemptions of units in the Funds where settlement has not yet occurred. These amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to unitholders as at the end of each reporting year is recognised separately in the Statements of financial position when unitholders are presently entitled to the distributable income under the Funds' Constitutions.

(n) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed.

2 Summary of significant accounting policies (continued)

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as audit fees, custodian services and management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits ("RITC") at a rate of 55% or 75%, hence Management fees, Administration and custody fees and other expenses have been recognised in the Statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of financial position. Cash flows relating to GST are included in the Statements of cash flows on a gross basis.

(p) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives, are fair valued using valuation techniques determined by the Investment Manager, in accordance with the valuation procedures approved by the Responsible Entity. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require Investment Manager to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other balances reported on Statements of financial position, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(q) Rounding of amounts

The Funds are entities of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

3 Financial risk management

(a) Overview

The Funds' activities expose them to a variety of financial risks. The management of these risks is undertaken by the Funds' Investment Manager who has been appointed by the Responsible Entity under an Investment Management Agreement to manage the Funds' assets in accordance with the Investment Objective and Strategy.

The Responsible Entity has in place a framework which includes:

- The Investment Manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Funds; and
- Regular reporting on the liquidity of the Funds in accordance with the Funds' Liquidity Risk Management Statement.

3 Financial risk management (continued)

(a) Overview (continued)

The Funds' Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Funds. Specific controls the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

(b) Market risk

Market risk is the risk that changes in market risk factors, such as equity prices, foreign exchange rates, interest rates and other market prices will affect the Funds' income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Funds' price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio.

The Funds manage price risk by establishing limits as to the types and degrees of risk that may be undertaken. Additionally, the Funds monitor the fluctuation in its value and compares these fluctuations to their risk objective.

As at year end, the overall market exposure were as follows:

First Sentier Cash Fund

	Fair value \$	% of net assets attributable to unitholders
As at 30 June 2022		
Financial assets		
Unit trusts	19,213,348	100.20
As at 30 June 2021		
Financial assets		
Unit trusts	2,314,194	97.33

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

First Sentier Ex-20 Australian Share Fund

As at 30 June 2022	Fair value \$	% of net assets attributable to unitholders
Financial assets		
Listed equities	2,153,468	102.81
Unit trusts	30,714	1.47
 As at 30 June 2021		
Financial assets		
Listed equities	2,487,255	100.17
Unit trusts	48,981	1.97

(ii) Foreign exchange risk

Primarily the Funds' investments are equities and unit trusts denominated in Australian dollars. The Funds do not have any exposure to foreign exchange risk as at 30 June 2022 and 30 June 2021.

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Funds' financial assets are non-interest-bearing. Interest-bearing financial assets comprise solely of cash at bank. As a result the Funds are subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

Below table summarises the Funds' exposure to interest rate risks.

First Sentier Cash Fund

	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
30 June 2022				
Financial assets				
Cash and cash equivalents	542,759	-	-	542,759
Receivables	-	-	23,743	23,743
Financial assets at fair value through profit and loss	-	-	19,213,348	19,213,348
Total assets	<u>542,759</u>	<u>-</u>	<u>19,237,091</u>	<u>19,779,850</u>
Financial liabilities				
Due to brokers	-	-	(480,000)	(480,000)
Management fees payable	-	-	(2,421)	(2,421)
Responsible Entity's fees payable	-	-	(192)	(192)
Administration and custody fees payable	-	-	(19,235)	(19,235)
Other payables	-	-	(102,924)	(102,924)
Total liabilities	<u>-</u>	<u>-</u>	<u>(604,772)</u>	<u>(604,772)</u>
Net assets attributable to unitholders	<u>542,759</u>	<u>-</u>	<u>18,632,319</u>	<u>19,175,078</u>
30 June 2021				
Financial assets				
Cash and cash equivalents	99,041	-	-	99,041
Receivables	-	-	36,684	36,684
Financial assets at fair value through profit and loss	-	-	2,314,194	2,314,194
Total assets	<u>99,041</u>	<u>-</u>	<u>2,350,878</u>	<u>2,449,919</u>
Financial liabilities				
Responsible Entity's fees payable	-	-	(5,410)	(5,410)
Administration and custody fees payable	-	-	(32,839)	(32,839)
Other payables	-	-	(33,817)	(33,817)
Distributions payable	-	-	(193)	(193)
Total liabilities	<u>-</u>	<u>-</u>	<u>(72,259)</u>	<u>(72,259)</u>
Net assets attributable to unitholders	<u>99,041</u>	<u>-</u>	<u>2,278,619</u>	<u>2,377,660</u>

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

First Sentier Ex-20 Australian Share Fund

30 June 2022	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	146,368	-	-	146,368
Due from brokers	-	-	4,137	4,137
Receivables	-	-	27,077	27,077
Financial assets at fair value through profit and loss	-	-	<u>2,184,182</u>	<u>2,184,182</u>
Total assets	<u>146,368</u>	<u>-</u>	<u>2,215,396</u>	<u>2,361,764</u>
Financial liabilities				
Management fees payable	-	-	(3,079)	(3,079)
Responsible Entity's fees payable	-	-	(79)	(79)
Administration and custody fees payable	-	-	(20,011)	(20,011)
Other payables	-	-	(39,111)	(39,111)
Distributions payable	-	-	<u>(204,913)</u>	<u>(204,913)</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>(267,193)</u>	<u>(267,193)</u>
Net assets attributable to unitholders	<u>146,368</u>	<u>-</u>	<u>1,948,203</u>	<u>2,094,571</u>
30 June 2021				
Financial assets				
Cash and cash equivalents	84,609	-	-	84,609
Due from brokers	-	-	8,706	8,706
Receivables	-	-	49,479	49,479
Financial assets at fair value through profit and loss	-	-	<u>2,536,236</u>	<u>2,536,236</u>
Total assets	<u>84,609</u>	<u>-</u>	<u>2,594,421</u>	<u>2,679,030</u>
Financial liabilities				
Due to brokers	-	-	(54,833)	(54,833)
Performance fees payable	-	-	(8,423)	(8,423)
Responsible Entity's fees payable	-	-	(5,440)	(5,440)
Administration and custody fees payable	-	-	(37,409)	(37,409)
Other payables	-	-	(33,781)	(33,781)
Distributions payable	-	-	<u>(55,998)</u>	<u>(55,998)</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>(195,884)</u>	<u>(195,884)</u>
Net assets attributable to unitholders	<u>84,609</u>	<u>-</u>	<u>2,398,537</u>	<u>2,483,146</u>

3 Financial risk management (continued)

(c) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds' operating profit or loss and net assets attributable to unitholders to 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 interest rates and foreign exchange rates, historical correlation of the Funds' 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 shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

First Sentier Cash Fund

	Interest rate risk		Price risk	
	-100 basis points	+100 basis points	-10.00%	+10.00%
	\$	\$	\$	\$
30 June 2022	(5,428)	5,428	(1,921,335)	1,921,335
30 June 2021	(248)	495	(231,419)	231,419

The sensitivity factors for 30 June 2021 were -25 basis points and +50 basis points for interest rate risk.

First Sentier Ex-20 Australian Share Fund

	Interest rate risk		Price risk	
	-100 basis points	+100 basis points	-10.00%	+10.00%
	\$	\$	\$	\$
30 June 2022	(1,464)	1464	(218,418)	218,418
30 June 2021	(212)	423	(253,624)	253,624

The sensitivity factors for 30 June 2021 were -25 basis points and +50 basis points for interest rate risk.

(d) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The maximum exposure to credit risk at the end of the reporting year is the carrying amount of the financial assets.

(i) Bank deposits, assets held with the custodian

The Funds' financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits, assets held with the custodian.

3 Financial risk management (continued)

(d) Credit risk (continued)

(i) Bank deposits, assets held with the custodian (continued)

The tables below summarise these assets at 30 June 2022 and 30 June 2021:

First Sentier Cash Fund

As at 30 June 2022	\$	Credit rating	Source of credit rating
Bank and custodian			
State Street Bank and Trust Company	542,759	AA-	S&P
As at 30 June 2021			
Bank and custodian			
State Street Bank and Trust Company	99,041	AA-	S&P

First Sentier Ex-20 Australian Share Fund

As at 30 June 2022	\$	Credit rating	Source of credit rating
Bank and custodian			
State Street Bank and Trust Company	146,368	AA-	S&P
As at 30 June 2021			
Bank and custodian			
State Street Bank and Trust Company	84,609	AA-	S&P

(e) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due and can only do so on terms that are materially disadvantageous.

The Funds are exposed to daily cash redemptions of units in the Funds. The Funds invest the majority of its assets in investments that are traded in an active market and can be readily disposed of.

In order to manage the Funds' overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Funds did not reject or withhold any redemptions during 2022 and 2021.

The table below analyses the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity, as of the reporting period end. The amounts in the table are the contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances as the impact of discounting is not significant. To assess the impact of COVID-19 on the liquidity of the Funds, the Responsible Entity conducted frequent and enhanced monitoring of the liquidity of the Funds during the reporting year.

3 Financial risk management (continued)

(e) Liquidity risk (continued)

First Sentier Cash Fund

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	No stated maturity \$
As at 30 June 2022					
Due to brokers	480,000	-	-	-	-
Management fees payable	2,421	-	-	-	-
Responsible Entity's fees payable	192	-	-	-	-
Administration and custody fees payable	19,235	-	-	-	-
Other payables	<u>102,924</u>	-	-	-	-
Total financial liabilities	<u>604,772</u>	-	-	-	-
As at 30 June 2021					
Responsible Entity's fees payable	5,410	-	-	-	-
Administration and custody fees payable	32,839	-	-	-	-
Other payables	33,817	-	-	-	-
Distributions payable	<u>193</u>	-	-	-	-
Total financial liabilities	<u>72,259</u>	-	-	-	-

First Sentier Ex-20 Australian Share Fund

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	No stated maturity \$
As at 30 June 2022					
Management fees payable	3,079	-	-	-	-
Responsible Entity's fees payable	79	-	-	-	-
Administration and custody fees payable	20,011	-	-	-	-
Other payables	39,111	-	-	-	-
Distributions payable	204,913	-	-	-	-
Net assets attributable to unitholders - liability	<u>2,094,571</u>	-	-	-	-
Total financial liabilities	<u>2,361,764</u>	-	-	-	-
As at 30 June 2021					
Due to brokers	54,833	-	-	-	-
Performance fees payable	8,423	-	-	-	-
Responsible Entity's fees payable	5,440	-	-	-	-
Administration and custody fees payable	37,409	-	-	-	-
Other payables	33,781	-	-	-	-
Distributions payable	<u>55,998</u>	-	-	-	-
Total financial liabilities	<u>195,884</u>	-	-	-	-

4 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis.

- Financial assets at fair value through profit or loss (FVTPL) (see Note 6)

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting year. AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (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 their quoted market prices at the end of the reporting year without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of these investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Funds is the last-traded prices.

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 asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and managed funds with suspended applications and withdrawals.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting year 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 year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Investments in other managed funds are recorded at the redemption value per unit as reported by the investment managers of such funds. The Funds may make adjustments to the redemption value based on considerations such as liquidity of the fund or its underlying investments, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models 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 the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

4 Fair value measurement (continued)

(ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Recognised fair value measurement

The following tables present the Funds' financial assets and liabilities measured and recognised at fair value as at 30 June 2022 and 30 June 2021.

First Sentier Cash Fund

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2022				
Financial assets at fair value through profit or loss				
Unit trusts	-	19,213,348	-	19,213,348
Total financial assets at fair value through profit or loss	-	19,213,348	-	19,213,348
As at 30 June 2021				
Financial assets at fair value through profit or loss				
Unit trusts	-	2,314,194	-	2,314,194
Total financial assets at fair value through profit or loss	-	2,314,194	-	2,314,194

4 Fair value measurement (continued)

Recognised fair value measurement (continued)

First Sentier Ex-20 Australian Share Fund

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2022				
Financial assets at fair value through profit or loss				
Equities securities	2,153,468	-	-	2,153,468
Unit trusts	<u>30,714</u>	-	-	<u>30,714</u>
Total financial assets at fair value through profit or loss	<u>2,184,182</u>	-	-	<u>2,184,182</u>
As at 30 June 2021				
Financial assets at fair value through profit or loss				
Equities securities	2,432,422	54,833	-	2,487,255
Unit trusts	<u>48,981</u>	-	-	<u>48,981</u>
Total financial assets at fair value through profit or loss	<u>2,481,403</u>	<u>54,833</u>	-	<u>2,536,236</u>

(i) Transfers between levels

The Funds' policies are to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

There were no transfers between levels for the year ended 30 June 2022 and year ended 30 June 2021.

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

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs as at 30 June 2022 or at 30 June 2021.

(iii) Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting year.

(iv) Fair values of other financial instruments

The Funds did not hold any financial instruments which were not measured at fair value in the Statements of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

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

	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
	Year ended		Year ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
Financial assets				
Net realised gains/(losses) on financial assets at fair value through profit or loss	(338)	128	233,939	201,011
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	(13,728)	1,649	(947,016)	446,399
Financial liabilities				
Net realised gains/(losses) on financial liabilities at fair value through profit or loss	-	-	(19)	(21)
Total net gains/(losses) on financial instruments at fair value through profit or loss	(14,066)	1,777	(713,096)	647,389

6 Financial assets at fair value through profit or loss

	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
	As at		As at	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
Financial assets at fair value through profit or loss				
Equities securities	-	-	2,153,468	2,487,255
Unit trusts	19,213,348	2,314,194	30,714	48,981
Total financial assets at fair value through profit or loss	19,213,348	2,314,194	2,184,182	2,536,236

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 3.

7 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 who controls the entity, and the relevant activities are directed by means of contractual arrangements. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Funds. The Funds consider investments in unit trusts and managed funds to be structured entities. First Sentier Cash Fund invests in these unrelated unit trusts and managed funds for the purpose of capital appreciation and/or earning of investment income.

7 Structured entities (continued)

The exposure to investments in unit trusts and managed funds are disclosed in the following table:

First Sentier Cash Fund	Fair value of investment		Interest held	
	2022	2021	2022	2021
	\$	\$	%	%
First Sentier Mortgage Backed Securities Fund	82,440	82,817	0.40	100
First Sentier Wholesale Strategic Cash Fund	19,130,908	2,231,377	0.25	0.04

First Sentier Cash Fund has exposure to structured entities through its trading activities. First Sentier Cash Fund typically has no other involvement with the structured entity other than the securities it holds as part of its trading activities and its maximum exposure to loss is restricted to the carrying value of the asset. Exposure to trading assets are managed in accordance with financial risk management practices as set out in Note 3(b), which includes an indication of changes in risk measures compared to prior year.

8 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. First Sentier Cash Fund has elected into the AMIT tax regime and consequently the Fund's Constitutions have been amended. First Sentier Cash Fund does not have a contractual obligation to pay distributions to unitholders. Therefore, the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity.

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

	First Sentier Cash Fund			
	Year ended			
	30 June 2022 No.	30 June 2021 No.	30 June 2022 \$	30 June 2021 \$
Net assets attributable to unitholders - Class A				
Opening balance	2,288,062	46,455	2,276,702	46,229
Applications	18,419,323	2,298,137	18,296,001	2,285,235
Redemptions	(1,505,369)	(56,530)	(1,496,166)	(56,225)
Distributions paid and payable	-	-	(765)	(2,649)
Profit/(loss) for the year	-	-	(1,516)	4,112
Closing balance	<u>19,202,016</u>	<u>2,288,062</u>	<u>19,074,256</u>	<u>2,276,702</u>
Net assets attributable to unitholders - Class W				
Opening balance	106,429	105,306	100,958	99,906
Units issued upon reinvestment of distributions	39	1,123	37	1,062
Distributions paid and payable	-	-	(29)	(285)
Profit/(loss) for the year	-	-	(144)	275
Closing balance	<u>106,468</u>	<u>106,429</u>	<u>100,822</u>	<u>100,958</u>
Total net assets attributable to unitholders			<u>19,175,078</u>	<u>2,377,660</u>

8 Net assets attributable to unitholders (continued)

	First Sentier Ex-20 Australian Share Fund			
	Year ended			
	30 June 2022 No.	30 June 2021 No.	30 June 2022* \$	30 June 2021 \$
Net assets attributable to unitholders - Class W				
Opening balance	1,733,947	1,553,541	2,483,146	1,669,586
Applications	395,638	180,406	485,000	230,000
Units issued upon reinvestment of distributions	32,352	-	46,331	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(919,906)	583,560
Closing balance	<u>2,161,937</u>	<u>1,733,947</u>	<u>2,094,571</u>	<u>2,483,146</u>
Total net assets attributable to unitholders			<u>2,094,571</u>	<u>2,483,146</u>

*First Sentier Ex-20 Australian Share Fund no longer satisfies all criteria of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*. Consequently, the Fund's net assets attributable to unitholders have been reclassified from equity to financial liability during the year ended 30 June 2022.

As stipulated within the Funds' Constitutions, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. First Sentier Cash Fund has two separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. First Sentier Ex-20 Australian Share Fund has one class of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

First Sentier Cash Fund classifies its net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

First Sentier Ex-20 Australian Share Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of the unitholders.

9 Distributions to unitholders

Distributions are determined by reference to the net taxable income of the Funds. The distributions for the year were paid/payable as follows:

	First Sentier Cash Fund			
	Year ended			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$	CPU*	\$	CPU*
Distributions - Class A				
31 July	328	0.01	52	0.04
31 August	437	0.02	62	0.02
30 September	-	-	146	0.02
31 October	-	-	235	0.03
30 November	-	-	270	0.03
31 December	-	-	213	0.02
31 January	-	-	304	0.03
28 February	-	-	420	0.04
31 March	-	-	192	0.01
30 April	-	-	303	0.02
31 May	-	-	267	0.01
30 June	-	-	185	0.01
	765	0.03	2,649	0.28
Distributions - Class W				
31 July	13	0.01	39	0.04
31 August	16	0.01	19	0.02
30 September	-	-	22	0.02
31 October	-	-	32	0.03
30 November	-	-	34	0.03
31 December	-	-	20	0.02
31 January	-	-	27	0.03
28 February	-	-	36	0.03
31 March	-	-	15	0.01
30 April	-	-	18	0.02
31 May	-	-	15	0.01
30 June	-	-	8	0.01
	29	0.02	285	0.27
Total distributions to unitholders	794		2,934	

9 Distributions to unitholders (continued)

	First Sentier Ex-20 Australian Share Fund			
	Year ended			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$	CPU*	\$	CPU*
30 June	<u>204,913</u>	<u>9.48</u>	<u>55,998</u>	<u>3.23</u>
Total distributions to unitholders	<u>204,913</u>	<u>9.48</u>	<u>55,998</u>	<u>3.23</u>

* Distribution is expressed as cents per unit amount in Australian Dollar.

10 Cash and cash equivalents

	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
	As at		As at	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
Cash at bank	<u>542,759</u>	<u>99,041</u>	<u>146,368</u>	<u>84,609</u>
Total cash and cash equivalents	<u>542,759</u>	<u>99,041</u>	<u>146,368</u>	<u>84,609</u>

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

	First Sentier Cash Fund		First Sentier Ex-20 Australian Share Fund	
	Year ended		Year ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year	(1,660)	4,387	-	639,558
Increase/(decrease) in net asset attributable to unitholders	-	-	(919,906)	-
Distributions to unitholders	-	-	204,913	-
Proceeds from sale of financial instruments at fair value through profit or loss	546,798	356,007	1,156,357	990,505
Payments for purchase of financial instruments at fair value through profit or loss	(16,969,560)	(2,566,559)	(1,567,663)	(1,109,493)
Trust distributions income reinvested	(10,458)	(1,380)	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	14,066	(1,777)	713,096	(647,389)
Net change in receivables	12,941	17,286	22,402	6,951
Net change in payables	(10,885)	(33,163)	(22,773)	(60,826)
Net cash inflow/(outflow) from operating activities	(16,418,758)	(2,225,199)	(413,574)	(180,694)
(b) Non-cash operating and financing activities				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	37	1,062	46,331	-
The following purchases of investments were satisfied by the participation on dividend and distribution reinvestment plans	10,458	1,380	-	-
Total non-cash operating and financing activities	10,495	2,442	46,331	-

As described in Note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount during the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

12 Professional fees

During the year the following fees were paid or payable for professional services.

	First Sentier Cash Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Auditors Remuneration amounts due to Deloitte Touche Tohmatsu		
Audit of financial statements	<u>23,700</u>	<u>21,945</u>
	23,700	21,945
Other services:		
Audit of the Compliance Plan (PricewaterhouseCoopers)	2,327	2,827
Tax compliance (KPMG)	<u>13,279</u>	<u>7,473</u>
	15,606	10,300
Total remuneration	<u>39,306</u>	<u>32,245</u>

	First Sentier Ex-20 Australian Share Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Auditors Remuneration amounts due to Deloitte Touche Tohmatsu		
Audit of financial statements	<u>23,700</u>	<u>21,945</u>
	23,700	21,945
Other services:		
Audit of the Compliance Plan (PricewaterhouseCoopers)	2,327	2,456
Tax compliance (KPMG)	<u>13,279</u>	<u>7,473</u>
	15,606	9,929
Total remuneration	<u>39,306</u>	<u>31,874</u>

13 Receivables

	First Sentier Cash Fund	
	As at	
	30 June 2022	30 June 2021
	\$	\$
Distribution receivable	86	-
Management fee reimbursement receivable	23,657	32,415
Other receivable	<u>-</u>	<u>4,269</u>
Total receivables	<u>23,743</u>	<u>36,684</u>

13 Receivables (continued)

	First Sentier Ex-20 Australian Share Fund	
	As at	
	30 June 2022	30 June 2021
	\$	\$
Dividends/distribution receivable	3,711	3,061
Management fee reimbursement receivable	22,896	41,165
Other receivable	<u>470</u>	<u>5,253</u>
Total receivables	<u>27,077</u>	<u>49,479</u>

14 Other payables

	First Sentier Cash Fund	
	As at	
	30 June 2022	30 June 2021
	\$	\$
Professional fee payable	37,545	33,086
Redemption payables	63,591	-
Other payables	<u>1,788</u>	<u>731</u>
Total other payables	<u>102,924</u>	<u>33,817</u>

	First Sentier Ex-20 Australian Share Fund	
	As at	
	30 June 2022	30 June 2021
	\$	\$
Professional fee payable	37,544	33,082
Withholding tax payable	279	90
Other payables	<u>1,288</u>	<u>609</u>
Total other payables	<u>39,111</u>	<u>33,781</u>

15 Other income

	First Sentier Cash Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Management fee reimbursement	127,631	126,489
Other income	112	-
Total other income	<u>127,743</u>	<u>126,489</u>

	First Sentier Ex-20 Australian Share Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Management fee reimbursement	116,483	125,243
Other income	493	518
Total other income	<u>116,976</u>	<u>125,761</u>

Operating expenses incurred by the First Sentier Cash Fund and First Sentier Ex-20 Australian Share Fund above the investment management fee rate of 0.20% and 0.75% per annum of the net asset value of the Funds are ultimately reimbursed by the Investment Manager and recorded as Management fee reimbursement in these financial statements.

16 Other expenses

	First Sentier Cash Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Other expenses	2,054	92
Total other expenses	<u>2,054</u>	<u>92</u>

	First Sentier Ex-20 Australian Share Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Withholding taxes	446	951
Other expenses	2,091	2,018
Total other expenses	<u>2,537</u>	<u>2,969</u>

17 Net foreign currency gains/(losses) on financial instruments not at fair value through profit or loss

	First Sentier Ex-20 Australian Share Fund	
	Year ended	
	30 June 2022	30 June 2021
Net foreign currency gains/(losses)	\$ 154	\$ 31

Foreign currency gains and losses on assets and liabilities not measured at fair value through profit and loss have been separately classified on the face of the Statement of comprehensive income in Net foreign currency gains/(losses) on financial instruments not at fair value through profit or loss.

18 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Funds if they have the ability, directly or indirectly, to control or exercise significant influence over the Funds in making financial and operating disclosures. Related parties may be individuals or other entities.

Responsible Entity

The Responsible Entity of the Funds is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

Key Management Personnel

(a) Directors

Key management personnel include persons who were Directors of the Responsible Entity at any time during the financial year as follows:

Glenn Foster	
Simone Mosse	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio
Richard McCarthy	Resigned as Director on 1 February 2022

(b) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly, during the financial year.

Key management personnel unitholdings

During or since the end of the year, none of the Directors or Director related entities held units in the Funds, either directly, indirectly or beneficially.

Neither the Responsible Entity nor its affiliates held units in the Funds at the end of the year.

18 Related party transactions (continued)

Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Funds. They receive remuneration from a related party of the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties.

Consequently, the Funds do not pay any compensation to its key management personnel. Payments made from the Funds to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Funds 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 year.

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

Responsible Entity's/Investment Manager's fees and other transactions

Under the terms of the Funds' Constitutions, the Responsible Entity is entitled to receive a fee per annum calculated as a percentage of the gross asset value of the Funds. The Investment Manager of the Funds is First Sentier Investors (Australia) IM Limited. The Investment Manager is entitled to receive a management fee at the rates stipulated in the Funds' governing documents.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts receivable/payable at year end between the Funds and the Responsible Entity and Investment Manager were as follows:

	First Sentier Cash Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Management fees for the year paid and payable by the Fund to the Investment Manager	6,463	-
Management fees reimbursement received for the year	127,631	126,489
Responsible Entity's fees paid and payable for the year	573	21,074
Aggregate amounts payable to the Investment Manager at the end of the year	2,421	-
Aggregate amounts receivable from the Investment Manager at the end of the year	23,657	32,415
Aggregate amounts payable to the Responsible Entity at the end of the year	192	5,410

18 Related party transactions (continued)

Responsible Entity's/Investment Manager's fees and other transactions (continued)

	First Sentier Ex-20 Australian Share Fund	
	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Management fees for the year paid and payable by the Fund to the Investment Manager	15,356	-
Performance fees for the year paid and payable by the Fund to the Investment Manager	12,610	18,716
Management fees reimbursement received for the year	116,483	125,243
Responsible Entity's fees paid and payable for the year	322	20,900
Aggregate amounts payable to the Investment Manager at the end of the year	3,079	8,423
Aggregate amounts receivable from the Investment Manager at the end of the year	22,896	41,165
Aggregate amounts payable to the Responsible Entity at the end of the year	79	5,440

Related party unitholdings

Parties related to the First Sentier Cash Fund (including The Trust Company (RE Services) Limited, its related parties and other funds managed by The Trust Company (RE Services) Limited), held units in the Fund as follows:

First Sentier Cash Fund

2022

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
The Trust Company (PTAL) Limited	2,288,062	16,336,369	16,226,915	84.63	15,339,931	1,291,624	766
Total	2,288,062	16,336,369	16,226,915	84.63	15,339,931	1,291,624	766

2021

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
The Trust Company (PTAL) Limited	46,455	2,288,062	2,276,621	95.75	2,298,137	56,530	3,013
Total	46,455	2,288,062	2,276,621	95.75	2,298,137	56,530	3,013

Parties related to First Sentier Ex-20 Australian Share Fund (including The Trust Company (RE Services) Limited, its related parties and other schemes managed by The Trust Company (RE Services) Limited), held no units in the Fund.

18 Related party transactions (continued)

Investments

First Sentier Cash Fund held investments in the following managed investment schemes which were managed by the Responsible Entity. Distributions received are immediately reinvested into additional units.

	Fair value of investments		Interest held		Distribution received/receivable		Units acquired during the year		Units disposed during the year	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
First Sentier Mortgage Backed Securities Fund	82,440	82,817	0.40	100	493	-	644	176,986	-	95,841

First Sentier Ex-20 Australian Share Fund did not hold any investments in The Trust Company (RE Services) Limited, its related parties or other funds managed by The Trust Company (RE Services) Limited as at 30 June 2022 (2021: Nil).

19 Significant events during the year

The Directors continue to assess the potential financial and other impacts of the coronavirus ("COVID-19") outbreak to the Funds. The current high-level of uncertainty regarding the severity and length of COVID-19 on investment markets has the ability to impact investment outcomes and increase volatility in investment performance during the year.

At the date of signing, the future impacts of COVID-19 on global and domestic economies and investment market indices, and their resulting impact on the Funds are uncertain. The Directors and management will continue to monitor this situation.

Further to this, the current geopolitical events have also had a global market impact and uncertainty exists as to their implications. Such disruptions can adversely affect the assets, performance and liquidity of investment funds.

Recognising the Russia/Ukraine conflict as well as Australia's broadening of its existing autonomous sanctions, the Directors and management continue to remain abreast of developments in this area and monitor the potential impact across the Funds.

On 1 February 2022, Richard McCarthy resigned as a Director.

There were no other significant events during the year.

20 Events occurring after the reporting period

The Directors are not aware of any event or circumstance since the end of the financial period not otherwise addressed within this report that has affected or may significantly affect the operations of the Funds, the results of their operations or the state of affairs of the Funds in subsequent years. The Funds continue to operate as a going concern.

21 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 and 30 June 2021.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 39 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 30 June 2022 and of their performance for the financial year ended on that date
- (b) there are reasonable grounds to believe that the Funds 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 as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services)
Limited

Sydney
21 September 2022

Independent Auditor's Report to the Unitholders of First Sentier Ex-20 Australian Share Fund & First Sentier Cash Fund

Opinion

We have audited the financial report of First Sentier Ex-20 Australian Share Fund and First Sentier Cash Fund (the "Funds"), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors of The Trust Company (RE Services) Limited (the "Responsible Entity")

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Funds' financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Funds' annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett

Jonathon Corbett
Partner
Chartered Accountants
Sydney, 27 September 2022