

First Sentier Cash Fund

ARSN 634 630 229

Annual Report

For the year ended 30 June 2023

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These financial statements cover First Sentier Cash Fund as an individual entity.

The Responsible Entity of the First Sentier Cash Fund 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 Cash Fund (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the year ended 30 June 2023.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The 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.

The Fund was constituted on 3 July 2019 and commenced operations on 13 December 2019.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's 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:

Name

Christopher Green	Appointed as Director on 23 January 2023
Glenn Foster	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio
Simone Mosse	Resigned as Director on 23 January 2023

Review and results of operations

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

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2023	30 June 2022
Operating profit/(loss) (\$'000)	2,833	(2)
Distributions paid and payable (\$'000)	2,845	1
Distributions (cents per unit)	3.22	0.06

Significant changes in the state of affairs

The Class W closed on 25 August 2022 with the unitholder's units fully redeemed.

On 26 September 2022, the Unit registry services transitioned from State Street Australia Ltd (SSAL) to Link Fund Solutions Pty Limited.

On 23 January 2023, Simone Mosse resigned as Director and Christopher Green was appointed as Director.

Directors' Report (continued)

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

Matters subsequent to the end of the financial year

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

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

Likely developments and expected results of operations

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

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. 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 auditors

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

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates out of the Fund's property during the year are disclosed in Note 17 to the financial statements.

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

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 17 to the financial statements.

Units in the Fund

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

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars


The Fund is an entity 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 thousand dollars in accordance with the *ASIC Corporations Instrument*, unless otherwise indicated.

Directors' Report (continued)

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
20 September 2023

20 September 2023

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

Dear Directors,

Auditor's Independence Declaration to First Sentier Cash Fund ("the Fund")

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

As lead audit partner for the audit the financial statements of the Fund for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountant

Statement of comprehensive income

	Notes	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Investment income			
Interest income from financial assets at amortised cost		330	-
Interest income from financial assets at fair value through profit or loss		164	-
Distribution income		1,905	10
Net gains/(losses) on financial instruments at fair value through profit or loss	5	436	(14)
Other income	15	<u>317</u>	<u>128</u>
Total investment income		<u>3,152</u>	<u>124</u>
Expenses			
Management fees	17	156	6
Responsible Entity's fees	17	10	1
Administration and custody fees		82	78
Other expenses	16	<u>71</u>	<u>41</u>
Total operating expenses		<u>319</u>	<u>126</u>
Operating profit/(loss)		<u>2,833</u>	<u>(2)</u>
Profit/(loss) for the financial year	8	<u>2,833</u>	<u>(2)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>2,833</u>	<u>(2)</u>

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

Statement of financial position

		As at	
	Notes	30 June 2023 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents	10	44,239	543
Receivables	13	373	24
Financial assets at fair value through profit or loss	6	<u>97,760</u>	<u>19,213</u>
Total assets		<u>142,372</u>	<u>19,780</u>
Liabilities			
Due to brokers		-	480
Management fees payable	17	45	2
Responsible Entity's fees payable	17	4	-
Administration and custody fees payable		14	19
Other payables	14	41	104
Distributions payable	9	<u>662</u>	<u>-</u>
Total liabilities		<u>766</u>	<u>605</u>
Net assets attributable to unitholders - equity	8	<u>141,606</u>	<u>19,175</u>

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

Statement of changes in equity

	Notes	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the financial year	8	19,175	2,378
Comprehensive income for the financial year			
Profit/(loss) for the financial year		<u>2,833</u>	<u>(2)</u>
Total comprehensive income for the financial year		<u>2,833</u>	<u>(2)</u>
Transactions with unitholders			
Applications	8	165,300	18,296
Redemptions	8	(42,860)	(1,496)
Units issued upon reinvestment of distributions	8	3	-
Distributions paid and payable	8	<u>(2,845)</u>	<u>(1)</u>
Total transactions with unitholders		<u>119,598</u>	<u>16,799</u>
Total equity at the end of the financial year		<u>141,606</u>	<u>19,175</u>

Changes in net assets attributable to unitholders are disclosed in Note 8.

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

Statement of cash flows

	Notes	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		211,418	547
Payments for purchase of financial instruments at fair value through profit or loss		(288,171)	(16,970)
Interest received		235	-
Other income received		292	141
Management fees paid		(113)	(4)
Administration and custody fees paid		(87)	(92)
Responsible Entity's fees paid		(6)	(6)
Payment of other expenses		(68)	(35)
Net cash inflow/(outflow) from operating activities	11(a)	<u>(76,500)</u>	<u>(16,419)</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		165,300	18,296
Payments for redemptions by unitholders		(42,924)	(1,432)
Distributions paid		(2,180)	(1)
Net cash inflow/(outflow) from financing activities		<u>120,196</u>	<u>16,863</u>
Net increase/(decrease) in cash and cash equivalents		43,696	444
Cash and cash equivalents at the beginning of the year		<u>543</u>	<u>99</u>
Cash and cash equivalents at the end of the year	10	<u>44,239</u>	<u>543</u>
Non-cash financing activities	11(b)	<u>3</u>	<u>-</u>

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

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1 General information

These financial statements cover the First Sentier Cash Fund (the “Fund”) as an individual entity. The 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.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity of the Fund (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 Fund is First Sentier Investors (Australia) IM Limited (the “Investment Manager”).

The 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.

The financial statements of the Fund are for the year ended 30 June 2023. 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 20 September 2023. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all 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 Fund is a for-profit fund 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 Statement of financial position is 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 Fund manages 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.

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*

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

(ii) *New and amended standards adopted by the Fund*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iii) *New standards, amendments and interpretations effective after 1 July 2023 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 2023, 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 Fund.

(b) Financial instruments

(i) *Classification*

- **Assets:**

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is 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.

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

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest ("SPPI").

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(ii) *Recognition/derecognition*

The Fund recognises financial assets and financial liabilities on the date it 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 Fund has transferred substantially all risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the Fund measures 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 Statement 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 Statement 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 Statement 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 Statement 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 Fund 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 Fund. 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 Fund's 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 Fund, and it is not a contract settled in the Fund's 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.

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

(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.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents (continued)

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 Fund's 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 Statement of comprehensive income within dividend income and distribution income when the Fund's 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 management fees, Responsible Entity's fees, administration fees and custody fees, are recognised in the Statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

(h) Distributions

Distributions are payable as set out in the Fund's offering document. Such distributions are determined by the Responsible Entity of the Fund. 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 Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund 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.

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

Income not distributed is included in net assets attributable to unitholders. As the Fund's units are classified as equity, movements in net assets attributable to unitholders are recognised in the Statement of changes in equity.

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Assets and liabilities in foreign currencies are translated into the functional currency at the prevailing exchange rate at the valuation date. Transactions denominated in foreign currencies are translated into the functional currency at the prevailing exchange rate on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income. The Fund's income earned and expense incurred on foreign denominated balances are translated into the functional currency at the prevailing exchange rate on the date of such activity.

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

(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. Interest is accrued at each dealing date in accordance with the policy set out in Note 2(e) above. Trust distributions are accrued when the right to receive payment is established. 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 ECL. The Fund has 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 Statement 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 Statement of comprehensive income.

(m) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting year. Payables may include amounts for redemptions of units in the Fund 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 Statement of financial position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

2 Summary of significant accounting policies (continued)

(n) Applications and redemptions

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

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodian services and management fees have been passed onto the Fund. The Fund qualifies 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 Statement 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 Statement of financial position. Cash flows relating to GST are included in the Statement of cash flows on a gross basis.

(p) Use of estimates

The Fund makes 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 Fund's 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 Statement 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 Fund is an entity 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 thousand dollars in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

(r) Comparative information

Comparative information has been revised where appropriate to enhance comparability. Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

3 Financial risk management

(a) Overview

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

3 Financial risk management (continued)

(a) Overview (continued)

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 Fund; and
- Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

The Fund's 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 Fund. 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 Fund's 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

Market 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 Fund's market price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio.

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

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

As at 30 June 2023	Fair value \$'000	% of net asset attributable to unitholders
Financial assets		
Unit trusts	6,160	4.35
Debt securities	91,600	64.69

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

As at 30 June 2022	Fair value \$'000	% of net asset attributable to unitholders
Financial assets		
Unit trusts	19,213	100.20

(ii) Foreign exchange risk

Primarily the Fund's investments are unit trusts denominated in Australian dollars. The Fund does not have any exposure to foreign exchange risk as at 30 June 2023 and 30 June 2022.

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

The table below summarises the Fund's exposure to interest rate risk.

30 June 2023	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	44,239	-	-	44,239
Receivables	-	-	373	373
Financial assets at fair value through profit or loss	<u>26,353</u>	<u>65,247</u>	<u>6,160</u>	<u>97,760</u>
Total assets	<u>70,592</u>	<u>65,247</u>	<u>6,533</u>	<u>142,372</u>
Financial liabilities				
Management fees payable	-	-	(45)	(45)
Responsible Entity's fees payable	-	-	(4)	(4)
Administration and custody fees payable	-	-	(14)	(14)
Other payables	-	-	(41)	(41)
Distributions payable	<u>-</u>	<u>-</u>	<u>(662)</u>	<u>(662)</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>(766)</u>	<u>(766)</u>
Net assets attributable to unitholders	<u>70,592</u>	<u>65,247</u>	<u>5,767</u>	<u>141,606</u>

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

30 June 2022	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	543	-	-	543
Receivables	-	-	24	24
Financial assets at fair value through profit or loss	-	-	19,213	19,213
Total assets	543	-	19,237	19,780
Financial liabilities				
Due to brokers	-	-	(480)	(480)
Management fees payable	-	-	(2)	(2)
Administration and custody fees payable	-	-	(19)	(19)
Other payables	-	-	(104)	(104)
Total liabilities	-	-	(605)	(605)
Net assets attributable to unitholders	543	-	18,632	19,175

(c) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to the various market risks. 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 correlation of the Fund's 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 the economies, markets and securities in which the Fund invests. As a result, historical variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Interest rate risk		Price risk	
	-100bps \$'000	+100bps \$'000	-10.00% \$'000	+10.00% \$'000
30 June 2023	(1,358)	1,358	(616)	616
30 June 2022	(5)	5	(1,921)	1,921

(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.

3 Financial risk management (continued)

(d) Credit risk (continued)

(i) Bank deposits, assets held with the custodian

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

The table below summarises these assets at 30 June 2023 and 30 June 2022:

As at 30 June 2023	\$'000	Credit rating	Source of credit rating
Bank and custodian			
Australia and New Zealand Banking Group Limited	20,070	AA-	S&P
Commonwealth Bank of Australia	22,073	AA-	S&P
State Street Bank and Trust Company	2,096	AA-	S&P

As at 30 June 2022	\$'000	Credit rating	Source of credit rating
Bank and custodian			
State Street Bank and Trust Company	543	AA-	S&P

(ii) Debt securities

The Fund invests in debt securities which have an investment grade categorisation as rated by Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies. An analysis of debt securities by rating is set out in the table below:

	As at	
	30 June 2023	30 June 2022
	\$'000	\$'000
Credit rating of debt securities		
AAA	26,353	-
AA+ to AA-	55,365	-
BBB+ to BBB-	9,882	-
Total	<u>91,600</u>	<u>-</u>

(e) Liquidity risk

Liquidity risk is the risk that the Fund 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 Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

3 Financial risk management (continued)

(e) Liquidity risk (continued)

In order to manage the Fund's 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 Fund did not reject or withhold any redemptions during 2023 and 2022.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's 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.

As at 30 June 2023	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
Management fees payable	45	-	-	-	-
Responsible Entity's fees payable	4	-	-	-	-
Administration and custody fees payable	14	-	-	-	-
Other payables	41	-	-	-	-
Distributions payable	662	-	-	-	-
Total financial liabilities	766	-	-	-	-

As at 30 June 2022	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
Due to brokers	480	-	-	-	-
Management fees payable	2	-	-	-	-
Administration and custody fees payable	19	-	-	-	-
Other payables	104	-	-	-	-
Total financial liabilities	605	-	-	-	-

4 Fair value measurement

The Fund measures and recognises 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 Fund has 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:

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

4 Fair value measurement (continued)

(i) 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 Fund 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 Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

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 Fund 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 table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2023 and 30 June 2022.

As at 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Debt securities	-	91,600	-	91,600
Unit trusts	-	6,160	-	6,160
Total financial assets at fair value through profit or loss	-	97,760	-	97,760

4 Fair value measurement (continued)

Recognised fair value measurement (continued)

As at 30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Unit trusts	-	19,213	-	19,213
Total financial assets at fair value through profit or loss	-	19,213	-	19,213

(i) Transfers between levels

The Fund's policy is 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 2023 and year ended 30 June 2022.

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

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2023 or year ended 30 June 2022.

(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 Fund did not hold any financial instruments which were not measured at fair value in the Statement 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

	Year ended	
	30 June 2023 \$'000	30 June 2022 \$'000
Financial assets		
Net realised gains/(losses) on financial assets at fair value through profit or loss	237	-
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	<u>199</u>	<u>(14)</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>436</u>	<u>(14)</u>

6 Financial assets at fair value through profit or loss

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Financial assets at fair value through profit or loss		
Unit trusts	6,160	19,213
Debt securities	<u>91,600</u>	<u>-</u>
Total financial assets at fair value through profit or loss	<u>97,760</u>	<u>19,213</u>

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 Fund. The Fund considers investments in unit trusts and managed funds to be structured entities. The 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:

	Fair value of investment		Interest held	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
First Sentier Mortgage Backed Securities Fund	5,101	82	19.46	0.40
First Sentier Wholesale Strategic Cash Fund	1,059	19,131	0.02	0.25

The Fund has exposures to structured entities through its trading activities. The 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. The Fund has elected into the AMIT tax regime and consequently the Fund's Constitution has been amended. The 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:

	30 June		Year ended	
	2023	2022	30 June	30 June
	No.'000	No.'000	\$'000	\$'000
Net assets attributable to unitholders - Class A				
Opening balance	19,202	2,288	19,074	2,277
Applications	165,778	18,419	165,300	18,296
Redemptions	(42,888)	(1,505)	(42,759)	(1,496)
Units issued upon reinvestment of distributions	3	-	3	-
Distributions paid and payable	-	-	(2,845)	(1)
Profit/(loss) for the year	-	-	2,833	(2)
Closing balance	142,095	19,202	141,606	19,074
Net assets attributable to unitholders - Class W				
Opening balance	106	106	101	101
Redemptions	(106)	-	(101)	-
Closing balance	-	106	-	101
Total net assets attributable to unitholders			141,606	19,175

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. The Class W closed on 25 August 2022 with the unitholder's units fully redeemed. As a result, there are no separate classes of units as at 30 June 2023, and each unit has the same rights attaching to it as all other units of the Fund.

8 Net assets attributable to unitholders (continued)

Capital risk management

The 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.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets by the Responsible Entity. Under the terms of the Fund's Constitution, 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 Fund. The distributions for the year were paid/payable as follows:

	Year ended			
	30 June 2023 \$'000**	30 June 2023 CPU*	30 June 2022 \$'000**	30 June 2022 CPU*
Distributions - Class A				
31 July	10	0.03	-	0.01
31 August	35	0.09	1	0.02
30 September	114	0.25	-	-
31 October	81	0.16	-	-
30 November	156	0.27	-	-
21 December***	192	0.26	-	-
31 January	204	0.23	-	-
28 February	364	0.35	-	-
6 March***	26	0.27	-	-
31 March	315	0.29	-	-
30 April	377	0.30	-	-
31 May	309	0.22	-	-
30 June (payable)	<u>662</u>	<u>0.47</u>	-	-
	<u>2,845</u>	<u>3.19</u>	<u>1</u>	<u>0.03</u>
Distributions - Class W				
31 July	-	0.03	-	0.01
31 August	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.01</u>
	<u>-</u>	<u>0.03</u>	<u>-</u>	<u>0.02</u>
Total distributions to unitholders	<u>2,845</u>		<u>1</u>	

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

** Distributions for Class A was \$328 in July 2021. Distributions for Class W were \$13 in July 2021, \$16 in August 2021 and \$35 in July 2022. These were presented as nil due to rounding in thousand dollars.

*** The Fund made a special distribution on 21 December 2022.

On 6 March 2023, redemptions were made by one unit holder which were greater than 5% of the net assets of the Fund. Due to these special redemptions, a portion of the withdrawal proceeds represented distributable income to the redeeming unit holder, as outlined in the Fund's governing documents.

Refer to the Fund's governing documents for further information on distributions for large redemptions.

10 Cash and cash equivalents

	As at	
	30 June 2023	30 June 2022
	\$'000	\$'000
Cash at bank	44,239	543
Total cash and cash equivalents	44,239	543

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

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	2,833	(2)
Proceeds from sale of financial instruments at fair value through profit or loss	211,418	547
Payments for purchase of financial instruments at fair value through profit or loss	(288,171)	(16,970)
Trust distributions income reinvested	(1,885)	(10)
Net (gains)/losses on financial instruments at fair value through profit or loss	(436)	14
Interest bought/sold	47	-
Net change in receivables	(349)	13
Net change in payables	43	(11)
Net cash inflow/(outflow) from operating activities	(76,500)	(16,419)
(b) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	3	-
Total non-cash financing activities	3	-

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.

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Auditors Remuneration amounts due to Deloitte Touche Tohmatsu		
Audit of financial statements	25,566	23,700
	25,566	23,700
Other services:		
Audit of the Compliance Plan (PricewaterhouseCoopers)	2,736	2,327
Tax compliance (KPMG)	7,211	13,279
	9,947	15,606
Total remuneration	35,513	39,306

13 Receivables

	As at	
	30 June 2023	30 June 2022
	\$'000	\$'000
Interest receivables	304	-
Distribution receivable	20	-
Management fee reimbursement receivable	41	24
Other receivable	8	-
Total receivables	373	24

14 Other payables

	As at	
	30 June 2023	30 June 2022
	\$'000	\$'000
Professional fee payable	37	38
Redemption payables	-	64
Other payables	4	2
Total other payables	41	104

15 Other income

	Year ended	
	30 June 2023 \$'000	30 June 2022 \$'000
Management fee reimbursement	161	118
Management fee rebate income	<u>156</u>	<u>10</u>
Total other income	<u>317</u>	<u>128</u>

Operating expenses incurred by the Fund above the investment management fee rate of 0.20% (2022: 0.20%) per annum of the net asset value of the Fund are ultimately reimbursed by the Investment Manager and recorded as Management fee reimbursement in these financial statements.

Management fee rebate income is accrued on a daily basis at the agreed percentage, based on the units held by the Fund on its underlying investments in unit trusts.

16 Other expenses

	Year ended	
	30 June 2023 \$'000	30 June 2022 \$'000
Withholding taxes	2	-
Professional fees	35	39
Other expenses	<u>34</u>	<u>2</u>
Total other expenses	<u>71</u>	<u>41</u>

17 Related party transactions

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

Responsible Entity

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

17 Related party transactions (continued)

Key management personnel

(a) Directors

Key management personnel includes persons who were Directors of The Trust Company (RE Services) Limited at any time during the financial year as follows:

Name

Christopher Green	Appointed as Director on 23 January 2023
Glenn Foster	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio
Simone Mosse	Resigned as Director on 23 January 2023

(b) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the 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 Fund, either directly, indirectly or beneficially.

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

Key management personnel compensation

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

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

Key management personnel loan disclosures

The Fund has 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 Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund 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 Fund's Constitution, the Responsible Entity is entitled to receive a fee per annum calculated as a percentage of the gross asset value of the Fund. The Investment Manager of the Fund is First Sentier Investors (Australia) IM Limited. The Investment Manager is entitled to receive a management fee at the rates stipulated in the Fund's governing documents.

17 Related party transactions (continued)

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

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 Fund and the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Management fees for the year paid and payable by the Fund to the Investment Manager	155,915	6,463
Management fees reimbursement received for the year	161,225	118,177
Responsible Entity's fees paid and payable for the year	10,225	573
Aggregate amounts payable to the Investment Manager at the end of the year	45,283	2,421
Aggregate amounts receivable from the Investment Manager at the end of the year	40,713	23,657
Aggregate amounts payable to the Responsible Entity at the end of the year	4,403	192

Related party unitholdings

Parties related to the Fund (including the 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:

30 June 2023

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	<u>16,336,369</u>	<u>67,620,997</u>	<u>67,391,086</u>	<u>47.59</u>	<u>70,472,323</u>	<u>19,187,695</u>	<u>1,509,618</u>
Total	<u>16,336,369</u>	<u>67,620,997</u>	<u>67,391,086</u>	<u>47.59</u>	<u>70,472,323</u>	<u>19,187,695</u>	<u>1,509,618</u>

30 June 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	<u>2,288,062</u>	<u>16,336,369</u>	<u>16,226,915</u>	<u>84.63</u>	<u>15,339,931</u>	<u>1,291,624</u>	<u>766</u>
Total	<u>2,288,062</u>	<u>16,336,369</u>	<u>16,226,915</u>	<u>84.63</u>	<u>15,339,931</u>	<u>1,291,624</u>	<u>766</u>

17 Related party transactions (continued)

Investments

The 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 measurement		Interest held		Distributions received/receivable		Units acquired during the year		Units disposed during the year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
First Sentier Mortgage Backed Securities Fund	5,100,819	82,440	19.46	0.40	39,187	493	4,945,134	644	-	-

18 Significant events during the year

The Class W closed on 25 August 2022 with the unitholder's units fully redeemed.

On 26 September 2022, the Unit registry services transitioned from State Street Australia Ltd (SSAL) to Link Fund Solutions Pty Limited.

On 23 January 2023, Simone Mosse resigned as Director and Christopher Green was appointed as Director.

There were no other significant events during the year.

19 Events occurring after year end

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

20 Contingent assets and liabilities and commitments

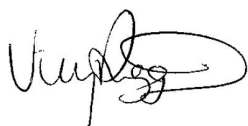
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 33 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 Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a)(i) 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
20 September 2023

Independent Auditor's Report to the Unitholders of First Sentier Cash Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of First Sentier Cash Fund ("the Fund") which comprises the statement of financial position as at 30 June 2023, 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 Fund's financial position as at 30 June 2023 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 Fund 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 Company, 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 Fund's annual report for the year ended 30 June 2023 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 Company 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 Fund 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 Fund 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 scepticism 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 Fund 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 Fund 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 Fund 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 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
Partner
Chartered Accountant
Sydney, 20 September 2023