

First Sentier Premium Cash Fund (formerly known as “Colonial First State Wholesale Premium Cash Fund”)

ARSN 089 468 360

Annual Report

For the year ended 30 June 2022

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These financial statements cover First Sentier Premium Cash Fund (formerly known as “Colonial First State Wholesale Premium Cash Fund”) as an individual entity.

The Responsible Entity of the First Sentier Premium Cash Fund (formerly known as “Colonial First State Wholesale Premium Cash Fund”) is The Trust Company (RE Services) Limited (ABN 48 123 123 124) (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 48 123 123 124) (AFSL 235150) is the responsible entity (the “Responsible Entity”) of First Sentier Premium Cash Fund (formerly known as “Colonial First State Wholesale Premium 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 2022.

Principal activities

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

The principal activities of the Fund are to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statements of the Fund and in accordance with the provisions of the Fund’s Constitution.

The Fund was constituted on 24 May 1988 and commenced operations in October 1999.

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 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 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 2022	30 June 2021
Operating profit/(loss) (\$)	<u>12,943</u>	171,701
Distributions paid and payable (\$)	<u>12,943</u>	32,965
Annualised Income Rate (%)	<u>1.78</u>	0.17

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 Fund. 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 Fund 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.

Directors’ Report (continued)

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 Fund.

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 Fund 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 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 11 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 11 to the financial statements.

Units in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 4 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.

Directors’ Report (continued)

Rounding of amounts to the nearest dollar

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 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



Auditor's Independence Declaration

As lead auditor for the audit of First Sentier Premium Cash Fund (formerly known as "Colonial First State Wholesale Premium Cash Fund") for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Paul Collins'.

Paul Collins
Partner
PricewaterhouseCoopers

Sydney
21 September 2022

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Statement of comprehensive income

		Year ended	
		30 June 2022	30 June 2021
	Notes	\$	\$
Investment income			
Interest income from financial assets at amortised cost		12,936	41,640
Interest income from financial assets at fair value through profit or loss		-	470,961
Net gains/(losses) on financial instruments at fair value through profit or loss		-	(171,274)
Other income		84,236	61,484
Total investment income		<u>97,172</u>	<u>402,811</u>
Expenses			
Responsible Entity's fees	11	1,166	172,766
Administration and custody fees		67,134	6,214
Transaction costs		-	709
Other expenses		15,929	51,421
Total operating expenses		<u>84,229</u>	<u>231,110</u>
Operating profit/(loss)		<u>12,943</u>	<u>171,701</u>
Profit/(loss) for the financial year	4	<u>12,943</u>	<u>171,701</u>
Other comprehensive income		-	-
Total comprehensive income for the financial year		<u>12,943</u>	<u>171,701</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 2022 \$	30 June 2021 \$
Assets			
Cash and cash equivalents	6	8,618,738	8,999,909
Receivables	9	<u>5,943</u>	<u>53,901</u>
Total assets		<u>8,624,681</u>	<u>9,053,810</u>
Liabilities			
Management fees payable	11	633	-
Responsible Entity's fees payable	11	400	299
Administration and custody fees payable		18,038	6,668
Other payables	10	34,986	46,831
Distributions payable	5	<u>5,288</u>	<u>280</u>
Total liabilities		<u>59,345</u>	<u>54,078</u>
Net assets attributable to unitholders - equity	4	<u>8,565,336</u>	<u>8,999,732</u>

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

Statement of changes in equity

		Year ended	
		30 June 2022	30 June 2021
	Notes	\$	\$
Total equity at the beginning of the financial year	4	8,999,732	377,489,467
Comprehensive income for the financial year			
Profit/(loss) for the financial year		<u>12,943</u>	<u>171,701</u>
Total comprehensive income for the financial year		<u>12,943</u>	<u>171,701</u>
Transactions with unitholders			
Applications	4	-	1,044,034,061
Redemptions	4	(441,214)	(1,412,664,616)
Units issued upon reinvestment of distributions	4	6,818	2,084
Distributions paid and payable	4	<u>(12,943)</u>	<u>(32,965)</u>
Total transactions with unitholders		<u>(447,339)</u>	<u>(368,661,436)</u>
Total equity at the end of the financial year		<u>8,565,336</u>	<u>8,999,732</u>

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

Statement of cash flows

		Year ended	
		30 June 2022	30 June 2021
	Notes	\$	\$
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		-	1,646,860,217
Payments for purchase of financial instruments at fair value through profit or loss		-	(1,449,088,556)
Interest received		7,938	542,014
Other income received		-	44,806
Management fees received/(paid)		138,481	(3,655)
Administration and custody fees paid		(55,764)	-
Responsible Entity's fees paid		(1,065)	(236,030)
Payment of other expenses		(28,430)	(4,845)
Net cash inflow/(outflow) from operating activities	7(a)	61,160	198,113,951
Cash flows from financing activities			
Proceeds from applications by unitholders		-	1,044,034,061
Payments for redemptions by unitholders		(441,214)	(1,412,664,616)
Distributions paid		(1,117)	(30,621)
Net cash inflow/(outflow) from financing activities		(442,331)	(368,661,176)
Net increase/(decrease) in cash and cash equivalents		(381,171)	(170,547,225)
Cash and cash equivalents at the beginning of the year		8,999,909	179,547,134
Cash and cash equivalents at the end of the year	6	8,618,738	8,999,909
Non-cash financing activities	7(b)	6,818	2,084

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 Premium Cash Fund (formerly known as “Colonial First State Wholesale Premium Cash Fund”) (the “Fund”) as an individual entity. The Fund was constituted on 24 May 1988, registered by Australian Securities and Investments Commission (“ASIC”) as a managed investment scheme on and commenced operations in October 1999. The Fund will terminate in accordance with the provisions of the Fund’s Constitution.

The Trust Company (RE Services) Limited (ABN 48 123 123 124) 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 principal activities of the Fund are to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statements of the Fund and in accordance with the provisions of the Fund’s Constitution.

The financial statements of the Fund 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 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 (IFRS)

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 2021 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 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 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.

(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.

(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,

2 Summary of significant accounting policies (continued)

(b) Financial Instruments (continued)

(v) Impairment (continued)

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.

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.

2 Summary of significant accounting policies (continued)

(e) Investment income (continued)

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 equities, movements in net assets attributable to unitholders are recognised in the Statement of changes in equity.

(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.

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation (continued)

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) 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 Expected Credit Loss (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.

(l) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the 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 is recognised separately on the Statement of financial position as unitholders are presently entitled to the distributable income under the Fund’s Constitution.

(m) 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.

(n) 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.

(o) 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.

2 Summary of significant accounting policies (continued)

(o) Use of estimates (continued)

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.

(p) 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 dollar in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

(q) 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 year.

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.

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.

3 Financial risk management (continued)

(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

Financial assets are either directly or indirectly exposed to price risk. This arises from investments held for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

An Investment Manager may mitigate price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement/Information Memorandum or Constitutions and monitored by the Investment Review Services Department of the Responsible Entity.

The Fund has no significant price risk exposure as the Fund invests in cash instruments. These have exposure primarily to interest rate movement and credit risk. The sensitivities on these instruments are reflected as component of interest rate risk, which are further explained and analysed in Note 3(c) and (d).

(ii) Foreign exchange risk

Primarily the Fund's investments are cash and cash equivalents denominated in Australian dollars. The Fund does 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 Fund's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Below table summarises the Fund's exposure to interest rate risks.

	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
30 June 2022				
Financial assets				
Cash and cash equivalents	8,618,738	-	-	8,618,738
Receivables	-	-	5,943	5,943
Total assets	8,618,738	-	5,943	8,624,681
Financial liabilities				
Management fees payable	-	-	(633)	(633)
Responsible Entity's fees payable	-	-	(400)	(400)
Administration and custody fees payable	-	-	(18,038)	(18,038)
Other payables	-	-	(34,986)	(34,986)
Distributions payable	-	-	(5,288)	(5,288)
Total liabilities	-	-	(59,345)	(59,345)
Net assets attributable to unitholders	8,618,738	-	(53,402)	8,565,336

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

30 June 2021	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	8,999,909	-	-	8,999,909
Receivables	-	-	53,901	53,901
Total assets	<u>8,999,909</u>	<u>-</u>	<u>53,901</u>	<u>9,053,810</u>
Financial liabilities				
Responsible Entity's fees payable	-	-	(299)	(299)
Administration and custody fees payable	-	-	(6,668)	(6,668)
Other payables	-	-	(46,831)	(46,831)
Distributions payable	-	-	(280)	(280)
Total liabilities	<u>-</u>	<u>-</u>	<u>(54,078)</u>	<u>(54,078)</u>
Net assets attributable to unitholders	<u>8,999,909</u>	<u>-</u>	<u>(177)</u>	<u>8,999,732</u>

An analysis of financial liabilities by maturities is provided under “Liquidity Risk” of Note 3 to the financial statements.

(c) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to the interest rate 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 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 Impact on operating profit/Net assets attributable to unitholders	
	-100 basis points \$	+100 basis points \$
30 June 2022	86,187	86,187
30 June 2021	22,500	45,000

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

3 Financial risk management (continued)

(d) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk primarily arises from investments in debt securities and derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a credit rating of at least AA-. The Fund does not hold debt securities as at 30 June 2022 and 30 June 2021.

(e) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. They therefore primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of their assets are held in investments not actively traded on a stock exchange.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

The Fund's financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

4 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:

	Year ended			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	No.	No.	\$	\$
Net assets attributable to unitholders				
Opening balance	8,999,732	377,628,251	8,999,732	377,489,467
Applications	-	1,044,034,013	-	1,044,034,061
Redemptions	(441,214)	(1,412,664,616)	(441,214)	(1,412,664,616)
Units issued upon reinvestment of distributions	6,818	2,084	6,818	2,084
Distributions paid and payable	-	-	(12,943)	(32,965)
Profit/(loss) for the year	-	-	12,943	171,701
Closing balance	8,565,336	8,999,732	8,565,336	8,999,732
Total net assets attributable to unitholders			8,565,336	8,999,732

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. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

4 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 Investment Manager. 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.

5 Distributions to unitholders

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

	30 June 2022	Year ended 30 June 2022 Annualised Income Rate %	30 June 2021	30 June 2021 Annualised Income Rate %
	\$		\$	
31 July	289	0.04	17,942	0.06
31 August	364	0.05	10,630	0.03
30 September	569	0.08	3,925	0.01
31 October	593	0.08	-	-
30 November	567	0.08	-	-
31 December	589	0.08	-	-
31 January	592	0.08	-	-
28 February	534	0.08	-	-
31 March	592	0.08	49	0.01
30 April	573	0.08	-	-
31 May	2,393	0.31	139	0.02
30 June	5,288	0.74	280	0.04
Total distributions to unitholders	12,943	1.78	32,965	0.17

6 Cash and cash equivalents

	As at 30 June 2022	30 June 2021
	\$	\$
Cash at bank	8,618,738	8,999,909
Total cash and cash equivalents	8,618,738	8,999,909

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

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	12,943	171,701
Proceeds from sale of financial instruments at fair value through profit or loss	-	1,646,860,217
Payments for purchase of financial instruments at fair value through profit or loss	-	(1,449,088,556)
Net (gains)/losses on financial instruments at fair value through profit or loss	-	171,274
Net change in receivables	47,958	9,080
Net change in payables	259	(9,765)
Net cash inflow/(outflow) from operating activities	61,160	198,113,951
(b) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	6,818	2,084
Total non-cash operating and financing activities	6,818	2,084

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.

8 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
PricewaterhouseCoopers		
Audit of financial statements	19,400	18,500
Audit of compliance plan	2,284	2,135
Total remuneration for audit and other assurance services	21,684	20,635
Taxation services		
Taxation services (KPMG)	6,500	20,815
Total remuneration for taxation services	6,500	20,815
Total remuneration	28,184	41,450

The auditors' remuneration fees are stated exclusive of GST.

9 Receivables

	As at	
	30 June 2022	30 June 2021
	\$	\$
Interest receivable	5,287	289
Management fee reimbursement receivable	-	53,612
Other receivable	656	-
Total receivables	5,943	53,901

10 Other payables

	As at	
	30 June 2022	30 June 2021
	\$	\$
Remuneration of auditors	34,849	45,831
Other payables	137	1,000
Total other payables	34,986	46,831

11 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).

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:

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

11 Related party transactions (continued)

(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 party 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 Product Disclosure Statements.

The management fees rate charged for year ended 2022 was 0.20% (2021: 0.20%).

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:

11 Related party transactions (continued)

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

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
Management fees for the year paid and payable by the Fund to the Investment Manager	-	-
Management fees reimbursement received for the year	84,236	49,957
Responsible Entity's fees paid and payable for the year	1,166	172,766
Aggregate amounts payable to the Investment Manager at the end of the year	633	-
Aggregate amounts receivable from the Investment Manager at the end of the year	-	53,612
Aggregate amounts payable to the Responsible Entity at the end of the year	400	299

The table above did not include administration and custody fee paid and payable.

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 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 (\$)
First Sentier Premium Cash Enhanced Fund	<u>5,000,077</u>	<u>5,004,486</u>	<u>5,004,486</u>	<u>58.43</u>	<u>4,409</u>	-	<u>7,452</u>
Total	<u>5,000,077</u>	<u>5,004,486</u>	<u>5,004,486</u>	<u>58.43</u>	<u>4,409</u>	-	<u>7,452</u>

30 June 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 (\$)
First Sentier Premium Cash Enhanced Fund	-	<u>5,000,077</u>	<u>5,000,077</u>	<u>55.56</u>	<u>5,000,077</u>	-	<u>77</u>
Total	-	<u>5,000,077</u>	<u>5,000,077</u>	<u>55.56</u>	<u>5,000,077</u>	-	<u>77</u>

Investments

The 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).

12 Significant events during the year

The Directors continue to assess the potential financial and other impacts of the coronavirus (“COVID-19”) outbreak to the Fund. 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 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 Fund 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 Fund.

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

There were no other significant events during the year.

13 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 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.

14 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 25 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 2022 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) 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 Premium Cash Fund (formerly known as "Colonial First State Wholesale Premium Cash Fund")

Our opinion

In our opinion:

The accompanying financial report of First Sentier Premium Cash Fund (formerly known as "Colonial First State Wholesale Premium Cash Fund") (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- directors' declaration.

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

Independence

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.

Other information

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

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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Our opinion on the financial report does not cover the other information and accordingly 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 on the other information that we obtained prior to the date of this auditor's report, 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 of the Responsible Entity 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 of the Responsible Entity 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 of the Responsible Entity 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 of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized signature of PricewaterhouseCoopers in cursive script.

PricewaterhouseCoopers

A stylized signature of Paul Collins in cursive script.

Paul Collins
Partner

Sydney
21 September 2022