

# Annual Report

For the Year Ended 30 June 2023

## **State Street Australian Cash Trust**

ARSN: 089 590 358

# State Street Australian Cash Trust

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## Annual report

### For the year ended 30 June 2023

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These financial statements cover the State Street Australian Cash Trust as an individual entity.

The Responsible Entity of the State Street Australian Cash Trust is State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441) (AFSL 274900). The Responsible Entity's registered office is:

State Street Global Advisors, Australia Services Limited  
Level 14, 420 George Street  
Sydney NSW 2000.

## Directors' report

The directors of State Street Global Advisors, Australia Services Limited (ABN 16 108 671 441), the Responsible Entity of the State Street Australian Cash Trust (the "Trust"), present their report together with the financial statements of the Trust for the year ended 30 June 2023.

### Principal activities

The Trust invested in money market and fixed interest securities in accordance with the provisions of the Trust's Constitution.

The Trust did not have any employees during the year.

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

### Directors

The following persons held office as directors of State Street Global Advisors, Australia Services Limited during the year or since the end of the year and up to the date of this report:

Matthew George  
Jonathan Mark Shead  
Kathleen Gallagher  
Peter Hocking

### Review and results of operations

During the year, the Trust continued to invest its funds in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

#### Results

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

|   | Year ended       |                 |
|---|------------------|-----------------|
|   | 30 June<br>2023  | 30 June<br>2022 |
| Operating profit/(loss) before finance costs attributable to unitholders (\$) | <u>9,484,141</u> | <u>135,521</u>  |
| Distributions to unitholders (\$)   | <u>9,269,936</u> | <u>660,802</u>  |
| Distributions (yield)   | <u>3.03</u>      | <u>0.20</u>     |

The table below demonstrates the performance of the Trust as represented by the total return. Total returns reflect combined capital growth and distribution performance assuming all distributions are reinvested; and are shown net of fees. The total return is shown for the past five years to 30 June 2023:

|   | 2023<br>%   | 2022<br>%   | 2021<br>%   | 2020<br>%   | 2019<br>%   |
|---|-------------|-------------|-------------|-------------|-------------|
| Total return                                    | <u>3.03</u> | <u>0.19</u> | <u>0.15</u> | <u>1.11</u> | <u>2.09</u> |
| Benchmark: Bloomberg AusBond<br>Bank Bill Index | <u>2.89</u> | <u>0.09</u> | <u>0.06</u> | <u>0.85</u> | <u>1.97</u> |

## Directors' report (continued)

Consistent with our statements in the governing documents of the Trust, past performance is not a reliable indicator of future performance.

### Unit redemption prices

Unit redemption prices (quoted ex-distribution) are shown as follows:

|            | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------|------|------|------|------|------|
|            | \$   | \$   | \$   | \$   | \$   |
| At 30 June | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

### Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial 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 Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

### Likely developments and expected results of operations

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

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

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

### Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of State Street Global Advisors, Australia Services Limited or the auditor of the Trust. So long as the officers of State Street Global Advisors, Australia Services Limited act in accordance with the Trust's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

### Indemnity of auditor

The auditor of the Trust is in no way indemnified out of the assets of the Trust.

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

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 14 to the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 to the financial statements.

## Directors' report (continued)

### Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 7 to the financial statements.

The value of the Trust's assets and liabilities is disclosed on 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 Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

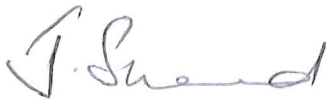
### Rounding of amounts to the nearest dollar

The Trust 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 that 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.



Jonathan Shead  
Director

Sydney  
27 September 2023



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Auditor's Independence Declaration to the Directors of State Street Global Advisors, Australia Services Limited

As lead auditor for the audit of the financial report of State Street Australian Cash Trust for the year ended 30 June 2023, I declare 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;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Rita Da Silva  
Partner  
27 September 2023

## Statement of comprehensive income

|  |       | Year ended       |                  |
|--|-------|------------------|------------------|
|  |       | 30 June<br>2023  | 30 June<br>2022  |
|  | Notes | \$               | \$               |
| <b>Investment income</b>   |       |                  |                  |
| Interest income from financial assets at amortised cost                          |       | 569,467          | 20,393           |
| Interest income from financial assets at fair value through profit or loss       |       | 9,016,265        | 989,495          |
| Net gains/(losses) on financial instruments at fair value through profit or loss | 5     | <u>213,865</u>   | <u>(524,942)</u> |
| <b>Total net investment income/(loss)</b>  |       | <u>9,799,597</u> | <u>484,946</u>   |
| <b>Expenses</b>  |       |                  |                  |
| Responsible Entity's fees  | 14    | 32,965           | 36,515           |
| Investment Manager's fees  | 14    | <u>282,491</u>   | <u>312,910</u>   |
| <b>Total operating expenses</b>  |       | <u>315,456</u>   | <u>349,425</u>   |
| <b>Operating profit/(loss) for the year</b>                                      |       | <u>9,484,141</u> | <u>135,521</u>   |
| <b>Finance costs attributable to unitholders</b>                                 |       |                  |                  |
| Distributions to unitholders   | 8     | (9,269,936)      | (660,802)        |
| (Increase)/decrease in net assets attributable to unitholders                    | 7     | <u>(214,205)</u> | <u>525,281</u>   |
| <b>Profit/(loss) for the year</b>  |       | <u>-</u>         | <u>-</u>         |
| Other comprehensive income for the year  |       | <u>-</u>         | <u>-</u>         |
| <b>Total comprehensive income for the year</b>                                   |       | <u>-</u>         | <u>-</u>         |

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

## Statement of financial position

|   |       | As at                     |                           |
|---|-------|---------------------------|---------------------------|
|   |       | 30 June<br>2023           | 30 June<br>2022           |
|   | Notes | \$                        | \$                        |
| <b>Assets</b>   |       |                           |                           |
| Cash and cash equivalents   | 9     | 15,051,431                | 11,784,013                |
| Receivables   | 12    | 31,940                    | 51,198                    |
| Financial assets at fair value through profit or loss                       | 6     | <u>270,852,430</u>        | <u>317,282,660</u>        |
| <b>Total assets</b>   |       | <u><b>285,935,801</b></u> | <u><b>329,117,871</b></u> |
| <b>Liabilities</b>  |       |                           |                           |
| Payables  | 13    | 52,330                    | 59,122                    |
| Distributions payable   | 8     | <u>99,724</u>             | <u>20,332</u>             |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> |       | <u><b>152,054</b></u>     | <u><b>79,454</b></u>      |
| <b>Net assets attributable to unitholders - liability</b>                   | 7     | <u><b>285,783,747</b></u> | <u><b>329,038,417</b></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<br>2023 | 30 June<br>2022 |
|  | \$              | \$              |
| <b>Total equity at the beginning of the financial year</b> | -               | -               |
| Profit/(loss) for the year                                 | -               | -               |
| Other comprehensive income for the year                    | -               | -               |
| <b>Total comprehensive income for the year</b>             | -               | -               |
| Transactions with owners in their capacity as owners       | -               | -               |
| <b>Total equity at the end of the financial year</b>       | -               | -               |

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the beginning or end of the year.

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

## Statement of cash flows

|  |       | Year ended          |                     |
|--|-------|---------------------|---------------------|
|  |       | 30 June<br>2023     | 30 June<br>2022     |
|  | Notes | \$                  | \$                  |
| <b>Cash flows from operating activities</b>                                      |       |                     |                     |
| Proceeds from sale of financial instruments at fair value through profit or loss |       | 604,972,002         | 350,980,558         |
| Purchase of financial instruments at fair value through profit or loss           |       | (558,327,907)       | (352,895,150)       |
| Interest received  |       | 9,604,990           | 958,282             |
| Other income/(expenses) received/(paid)  |       | 185                 | -                   |
| Responsible Entity's fees paid   |       | (33,681)            | (36,605)            |
| Investment Manager's fees paid   |       | (288,752)           | (313,691)           |
| Payment of other operating expenses  |       | -                   | (707)               |
| <b>Net cash inflow/(outflow) from operating activities</b>                       | 10(a) | <u>55,926,837</u>   | <u>(1,307,313)</u>  |
| <b>Cash flows from financing activities</b>                                      |       |                     |                     |
| Proceeds from applications by unitholders  |       | 67,869,551          | 76,146,272          |
| Payments for redemptions by unitholders  |       | (119,703,398)       | (89,976,772)        |
| Distributions paid   |       | (825,572)           | (72,242)            |
| <b>Net cash inflow/(outflow) from financing activities</b>                       |       | <u>(52,659,419)</u> | <u>(13,902,742)</u> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                      |       | <b>3,267,418</b>    | <b>(15,210,055)</b> |
| Cash and cash equivalents at the beginning of the year                           |       | <u>11,784,013</u>   | <u>26,994,068</u>   |
| <b>Cash and cash equivalents at the end of the year</b>                          | 9     | <u>15,051,431</u>   | <u>11,784,013</u>   |
| Non-cash financing activities  | 10(b) |                     |                     |

*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 State Street Australian Cash Trust (the "Trust") as an individual entity. The Trust was constituted on 19 January 1998 and will terminate on 18 January 2078 unless terminated earlier in accordance with the provisions of the Trust's Constitution.

The Responsible Entity of the Trust is State Street Global Advisors, Australia Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 14, 420 George Street, Sydney NSW 2000. The financial statements are presented in Australian currency.

The Trust invested in money market and fixed interest securities in accordance with the provisions of the Trust's Constitution.

The financial statements were authorised for issue by the directors on 27 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 years 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 and the *Corporations Act 2001* in Australia. The Trust is a for-profit trust 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 net assets attributable to unitholders.

The Trust invests in 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 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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

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

### (ii) New and amended standards adopted by the Trust

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 Trust.

### (iii) New standards, amendments and interpretations not yet 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 future financial statements of the Trust.

## 2 Summary of significant accounting policies (continued)

### (b) Financial assets and liabilities at fair value through profit or loss

#### (i) Classification

##### *Assets*

The Trust classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Trust's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Trust'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.

Equity securities and derivatives 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 Trust's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

##### *Liabilities*

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

#### (ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the 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 have been transferred and the Trust has transferred substantially all of the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Trust 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.

### (c) 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the Statement of financial position.

## 2 Summary of significant accounting policies (continued)

### (d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities as the Trust is required to distribute its distributable income. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (in cash and securities representing each investor's equal undivided, vested and indefeasible interest in the assets as a whole, subject to liabilities and defined by the Trust's Constitution) at the end of the reporting period if unitholders exercised their right to put the units back to the Trust.

### (e) Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the Statement of financial position.

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

### (f) 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 income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Trust distributions are recognised on an entitlements basis.

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 Trust's right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

### (g) Expenses

All expenses, including Responsible Entity's fees and the Investment Manager's fees, are recognised in the Statement of comprehensive income on an accruals basis.

### (h) Income tax

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

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 Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders. The Responsible Entity may elect to distribute concessional capital gains when they arise. This may occur even when total capital losses exceed capital gains.

## 2 Summary of significant accounting policies (continued)

### (h) Income tax (continued)

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

### (i) Distributions

In accordance with the Trust's Constitution, the Trust distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

### (j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

### (k) Foreign currency translation

#### *Functional and presentation currency*

Items included in the Trust'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 Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

### (l) 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses 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 Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker 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 gross 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.

### (m) Receivables

Receivables may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses 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 Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. 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 gross 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.

## 2 Summary of significant accounting policies (continued)

### (m) Receivables (continued)

The amount of the impairment loss is recognised in profit or loss 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 profit or loss.

### (n) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

### (o) Applications and redemptions

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

### (p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as Custodial and Administration services, Responsible Entity services and Investment Management services have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits ("RITC"). Hence Responsible Entity fees, Investment Management 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 flow on a gross basis.

### (q) Use of estimates

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

For the majority of the Trust's financial instruments, quoted market prices are readily available.

For certain other financial instruments, 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.

### (r) Rounding of amounts

The Trust 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.

## 3 Financial risk management

The Trust's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Product Disclosure Statement ("PDS") and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust may use derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity (the "Board").



### 3 Financial risk management (continued)

The Trust uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### (a) Market risk

##### (i) Price risk

Price risk arises from investments held by the trust for which prices in the future are uncertain.

The Trust has no significant price risk exposure as the Trust invests in various instruments including securities on Australian bond markets and 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 notes 3(b) and (c).

##### (ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Trust has no significant direct foreign exchange risk exposure as the Trust operates solely in Australia and the majority of the Trust's assets and liabilities are denominated in Australian currency.

##### (iii) Interest rate risk

Interest rate risk is the risk that interest rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Trust.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

The table below summarises the Trust's direct exposure to interest rate risks.

|   | Floating<br>interest rate<br>\$ | Fixed<br>interest rate<br>\$ | Non-interest<br>bearing<br>\$ | Total<br>\$ |
|---|---------------------------------|------------------------------|-------------------------------|-------------|
| <b>30 June 2023</b>                                   |                                 |                              |                               |             |
| <b>Assets</b>   |                                 |                              |                               |             |
| Cash and cash equivalents                             | 15,051,431                      | -                            | -                             | 15,051,431  |
| Receivables   | -                               | -                            | 31,940                        | 31,940      |
| Financial assets at fair value through profit or loss | 270,852,430                     | -                            | -                             | 270,852,430 |
| <b>Liabilities</b>                                    |                                 |                              |                               |             |
| Payables  | -                               | -                            | (52,330)                      | (52,330)    |
| Distributions payable                                 | -                               | -                            | (99,724)                      | (99,724)    |
| Net exposure  | 285,903,861                     | -                            | (120,114)                     | 285,783,747 |

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

|   | Floating<br>interest rate<br>\$ | Fixed<br>interest rate<br>\$ | Non-interest<br>bearing<br>\$ | Total<br>\$        |
|---|---------------------------------|------------------------------|-------------------------------|--------------------|
| 30 June 2022  |                                 |                              |                               |                    |
| <b>Assets</b>   |                                 |                              |                               |                    |
| Cash and cash equivalents                             | 11,784,013                      | -                            | -                             | 11,784,013         |
| Receivables   | -                               | -                            | 51,198                        | 51,198             |
| Financial assets at fair value through profit or loss | 317,282,660                     | -                            | -                             | 317,282,660        |
| <b>Liabilities</b>                                    |                                 |                              |                               |                    |
| Payables  | -                               | -                            | (59,122)                      | (59,122)           |
| Distributions payable                                 | -                               | -                            | (20,332)                      | (20,332)           |
| Net exposure  | <u>329,066,673</u>              | <u>-</u>                     | <u>(28,256)</u>               | <u>329,038,417</u> |

An analysis of financial liabilities by maturities is provided in note 3 paragraph (d) below.

The table in note 3 paragraph (b) summarises the impact of an increase/decrease of interest rates on the Trust's operating profit and net assets attributable to unitholders through changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 100 basis points (2022: +/- 100 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of cash and cash equivalents.

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust'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 Trust'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 Trust invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

|              | Interest rate risk<br>Impact on operating profit/Net<br>assets attributable to<br>unitholders |               |
|--------------|---|---------------|
|              | -100bps<br>\$   | +100bps<br>\$ |
| 30 June 2023 | (2,859,039)   | 2,859,039     |
| 30 June 2022 | (3,290,667)   | 3,290,667     |

The sensitivity factors for 30 June 2022 was +/- 100bps for interest rate risk.

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio based on market information in order to determine a reasonably possible shift in assumptions.

### 3 Financial risk management (continued)

#### (c) Credit risk

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or part. Credit risk is managed primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved in accordance with the Investment Manager's criteria; and
- Ensuring that transactions are undertaken with a range of counterparties.

Compliance with the Trust's mandate is monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The clearing and depositary operations of the Trust's security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. At 30 June 2023, State Street Australia Limited had a credit rating of A (2022: A). As at 30 June 2023, substantially all cash and investments are held in custody by State Street Australia.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. An analysis of debt securities by rating is set out in the table below.

|                        | 30 June<br>2023    | As at<br>30 June<br>2022 |
|------------------------|--------------------|--------------------------|
|                        | \$                 | \$                       |
| <b>Debt securities</b> |                    |                          |
| AA+ to AA-             | 22,681,500         | 61,831,920               |
| A+ to A-               | <u>248,170,930</u> | <u>255,450,740</u>       |
| Total                  | <u>270,852,430</u> | <u>317,282,660</u>       |

#### (d) Liquidity risk

The Trust is exposed to cash redemptions of redeemable units by unitholders from time to time. It therefore primarily holds investments that are traded in an active market and can be readily disposed.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### (i) Maturities of non-derivative financial liabilities

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

Units are redeemed on demand at the unitholder's option. It is not expected that the contractual maturity disclosed in the table below will be representative of the actual cash outflows.

|  | Less than 1<br>month<br>\$ | 1-6<br>months<br>\$ | 6-12<br>months<br>\$ | Over 12<br>months<br>\$ | No stated<br>maturity<br>\$ |
|--|----------------------------|---------------------|----------------------|-------------------------|-----------------------------|
| <b>At 30 June 2023</b>                                     |                            |                     |                      |                         |                             |
| Payables   | 52,330                     | -                   | -                    | -                       | -                           |
| Distributions payable                                      | 99,724                     | -                   | -                    | -                       | -                           |
| Net assets attributable to unitholders                     | <u>285,783,747</u>         | -                   | -                    | -                       | -                           |
| Contractual cash flows (excluding net settled derivatives) | <u>285,935,801</u>         | -                   | -                    | -                       | -                           |

|  | Less than 1<br>month<br>\$ | 1-6<br>months<br>\$ | 6-12<br>months<br>\$ | Over 12<br>months<br>\$ | No stated<br>maturity<br>\$ |
|--|----------------------------|---------------------|----------------------|-------------------------|-----------------------------|
| <b>At 30 June 2022</b>                                     |                            |                     |                      |                         |                             |
| Payables   | 59,122                     | -                   | -                    | -                       | -                           |
| Distributions payable                                      | 20,332                     | -                   | -                    | -                       | -                           |
| Net assets attributable to unitholders                     | <u>329,038,417</u>         | -                   | -                    | -                       | -                           |
| Contractual cash flows (excluding net settled derivatives) | <u>329,117,871</u>         | -                   | -                    | -                       | -                           |

### 4 Fair value measurement

The Trust measures and recognises Financial assets / liabilities at fair value through profit or loss (see note 6) on a recurring basis.

The Trust has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

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

#### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in note 2 to the financial statements.

#### 4 Fair value measurement (continued)

##### (i) Fair value in an active market (level 1) (continued)

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period 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 period. 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.

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 Trust holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

#### Recognised fair value measurement

The table below set out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2023 and 30 June 2022.

|  | Level 1<br>\$ | Level 2<br>\$      | Level 3<br>\$ | Total<br>\$        |
|--|---------------|--------------------|---------------|--------------------|
| <b>As at 30 June 2023</b>  |               |                    |               |                    |
| <b>Financial assets at fair value through profit or loss</b>       |               |                    |               |                    |
| Debt securities  | -             | <u>270,852,430</u> | -             | <u>270,852,430</u> |
| <b>Total financial assets at fair value through profit or loss</b> | -             | <u>270,852,430</u> | -             | <u>270,852,430</u> |
|  |               |                    |               |                    |
|  | Level 1<br>\$ | Level 2<br>\$      | Level 3<br>\$ | Total<br>\$        |
| <b>As at 30 June 2022</b>  |               |                    |               |                    |
| <b>Financial assets at fair value through profit or loss</b>       |               |                    |               |                    |
| Debt securities  | -             | <u>317,282,660</u> | -             | <u>317,282,660</u> |
| <b>Total financial assets at fair value through profit or loss</b> | -             | <u>317,282,660</u> | -             | <u>317,282,660</u> |

The Trust's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## 4 Fair value measurement (continued)

### Recognised fair value measurement (continued)

#### (i) Transfers between levels

There were no transfers between the levels for the fair value hierarchy for the year ended 30 June 2023 and 30 June 2022. There were also no changes made to any of the valuation techniques applied as of 30 June 2023.

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

The Trust 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) Financial instruments not at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

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

Net gains/(losses) recognised in relation to financial instruments at fair value through profit or loss:

|   | Year ended      |                  |
|---|-----------------|------------------|
|   | 30 June<br>2023 | 30 June<br>2022  |
|   | \$              | \$               |
| <b>Financial assets</b>   |                 |                  |
| Net realised gain/(loss) on financial assets at fair value through profit or loss             | (11,307)        | (12,085)         |
| Net unrealised gain/(loss) on financial assets at fair value through profit or loss           | <u>225,172</u>  | <u>(512,857)</u> |
| Net gains/(losses) on financial assets at fair value through profit or loss                   | <u>213,865</u>  | <u>(524,942)</u> |
| <b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b> | <u>213,865</u>  | <u>(524,942)</u> |

## 6 Financial assets at fair value through profit or loss

|  | As at              |                    |
|--|--------------------|--------------------|
|  | 30 June<br>2023    | 30 June<br>2022    |
|  | \$                 | \$                 |
| <b>Financial assets at fair value through profit or loss</b>       |                    |                    |
| Debt securities  | <u>270,852,430</u> | <u>317,282,660</u> |
| <b>Total financial assets at fair value through profit or loss</b> | <u>270,852,430</u> | <u>317,282,660</u> |

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

## 7 Net assets attributable to unitholders

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

|   | Year ended      |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | 30 June<br>2023 | 30 June<br>2022 | 30 June<br>2023 | 30 June<br>2022 |
|   | No.             | No.             | \$              | \$              |
| Opening balance   | 328,154,603     | 341,414,150     | 329,038,417     | 342,823,245     |
| Applications  | 67,869,551      | 76,146,272      | 67,869,551      | 76,146,272      |
| Redemptions   | (119,703,398)   | (89,976,772)    | (119,703,398)   | (89,976,772)    |
| Units issued upon reinvestment of distributions               | 8,364,972       | 570,953         | 8,364,972       | 570,953         |
| Increase/(decrease) in net assets attributable to unitholders | -               | -               | 214,205         | (525,281)       |
| Closing balance   | 284,685,728     | 328,154,603     | 285,783,747     | 329,038,417     |

As stipulated within the Trust's Constitution, a unit confers an equal undivided, vested, and inalienable interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

At 30 June 2023, the net asset value of the Trust exceeded its redemption value by \$1,098,019 or 0.39% (2022: \$883,814 or 0.27%). Although the redemption price is fixed at \$1.00, the Responsible Entity may, in accordance with the Trust Constitution, increase the redemption proceeds for any positive accumulated income entitlements in respect of units redeemed or deduct any negative accumulated income entitlements from the redemption proceeds. Accordingly, the value of net assets attributable to unitholders - liability is valued at the \$1.00 redemption price, adjusted for the present excess in net assets available to meet such redemptions.

### Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust'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 unitholders.

## 8 Distributions to unitholders

The distributions for the year were as follows:

|                               | Year ended      |                 |                 |                 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
|                               | 30 June<br>2023 | 30 June<br>2023 | 30 June<br>2022 | 30 June<br>2022 |
|                               |                 | Monthly yield   |                 | Monthly yield   |
|                               | \$              | %               | \$              | %               |
| Distribution paid - July      | 365,947         | 0.11            | 15,918          | -               |
| Distribution paid - August    | 474,020         | 0.14            | 14,597          | -               |
| Distribution paid - September | 575,838         | 0.18            | 12,571          | -               |
| Distribution paid - October   | 746,144         | 0.23            | 10,246          | -               |
| Distribution paid - November  | 793,353         | 0.25            | 11,225          | -               |
| Distribution paid - December  | 846,994         | 0.27            | 15,872          | 0.01            |
| Distribution paid - January   | 901,927         | 0.29            | 23,062          | 0.01            |
| Distribution paid - February  | 831,341         | 0.28            | 28,783          | 0.01            |
| Distribution paid - March     | 939,209         | 0.31            | 48,681          | 0.02            |
| Distribution paid - April     | 901,742         | 0.31            | 91,957          | 0.03            |
| Distribution paid - May       | 952,365         | 0.32            | 159,818         | 0.05            |
| Distribution paid - June      | 841,332         | 0.30            | 207,740         | 0.06            |
| Distribution payable          | 99,724          | 0.04            | 20,332          | 0.01            |
| Total distributions           | 9,269,936       | 3.03            | 660,802         | 0.20            |

## 9 Cash and cash equivalents

|                          | As at           |                 |
|--------------------------|-----------------|-----------------|
|                          | 30 June<br>2023 | 30 June<br>2022 |
|                          | \$              | \$              |
| Cash at bank             | 14,952,028      | 10,688,513      |
| Deposit on call          | 99,403          | 96,930          |
| Money market instruments | -               | 998,570         |
|                          | 15,051,431      | 11,784,013      |

### (a) Cash at bank

This account is bearing a floating interest rate at 4.07% (2022: 0.01%).

### (b) Deposits on call

This account is bearing a floating interest rate at 4.07% (2022: 0.01%).



## 9 Cash and cash equivalents (continued)

### (c) Money market instrument

At 30 June 2023, the Trust did not hold any money market instruments. At 30 June 2022, the money market instruments were bearing a interest rates at 1.02%.

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

|  | Year ended        |                    |
|--|-------------------|--------------------|
|  | 30 June<br>2023   | 30 June<br>2022    |
|  | \$                | \$                 |
| <b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>                                  |                   |                    |
| Profit/(loss) for the year   | -                 | -                  |
| Increase/(decrease) in net assets attributable to unitholders  | 214,205           | (525,281)          |
| Distributions to unitholders   | 9,269,936         | 660,802            |
| Proceeds from sale of financial instruments at fair value through profit or loss   | 604,972,002       | 350,980,558        |
| Purchase of financial instruments at fair value through profit or loss   | (558,327,907)     | (352,895,150)      |
| Net (gains)/losses on financial instruments at fair value through profit or loss   | (213,865)         | 524,942            |
| Net interest bought/(sold)   | -                 | (750)              |
| Net change in receivables  | 19,258            | (50,856)           |
| Net change in payables   | (6,792)           | (1,578)            |
| <b>Net cash inflow/(outflow) from operating activities</b>   | <b>55,926,837</b> | <b>(1,307,313)</b> |
| <b>(b) Non-cash financing activities</b>   |                   |                    |
| During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan | 8,364,972         | 570,953            |

## 11 Remuneration of auditors

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

|   | Year ended      |                 |
|---|-----------------|-----------------|
|   | 30 June<br>2023 | 30 June<br>2022 |
|   | \$              | \$              |
| <b>Ernst &amp; Young Australian firm</b>                  |                 |                 |
| <b><i>Audit and other assurance services</i></b>          |                 |                 |
| Audit and review of financial statements                  | 8,460           | 8,000           |
| Audit of compliance plan                                  | <u>1,780</u>    | <u>1,500</u>    |
| Total remuneration for audit and other assurance services | <u>10,240</u>   | <u>9,500</u>    |
| <b><i>Taxation services</i></b>                           |                 |                 |
| Tax compliance services                                   | <u>7,680</u>    | <u>7,150</u>    |
| Total remuneration for taxation services                  | <u>7,680</u>    | <u>7,150</u>    |
| <b>Total remuneration of Ernst &amp; Young</b>            | <u>17,920</u>   | <u>16,650</u>   |

In 2023 and 2022, the Investment Manager has paid the remuneration of auditors on behalf of the Trust.

## 12 Receivables

|                     | As at           |                 |
|---------------------|-----------------|-----------------|
|                     | 30 June<br>2023 | 30 June<br>2022 |
|                     | \$              | \$              |
| Interest receivable | <u>31,940</u>   | <u>51,198</u>   |
|                     | <u>31,940</u>   | <u>51,198</u>   |

## 13 Payables

|                                   | As at           |                 |
|-----------------------------------|-----------------|-----------------|
|                                   | 30 June<br>2023 | 30 June<br>2022 |
|                                   | \$              | \$              |
| Responsible Entity's fees payable | 4,654           | 5,370           |
| Investment Manager's fees payable | 43,565          | 49,826          |
| Other payables                    | <u>4,111</u>    | <u>3,926</u>    |
|                                   | <u>52,330</u>   | <u>59,122</u>   |

## 14 Related party transactions

### Responsible Entity, Investment Manager and Custodian

The Responsible Entity of the Trust is State Street Global Advisors, Australia Services Limited. The ultimate holding company of the Responsible Entity is State Street Corporation (incorporated in the United States of America).

The Investment Manager of the assets of the Trust is State Street Global Advisors, Australia, Limited. The ultimate holding company of the Investment Manager is State Street Corporation (incorporated in the United States of America).

The Custodian of the assets of the Trust is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

### Key management personnel

Key management personnel includes persons who were directors of State Street Global Advisors, Australia Services Limited at any time during the financial year as follows:

Matthew George  
Jonathan Mark Shead  
Kathleen Gallagher  
Peter Hocking

### Key management personnel compensation

Key management personnel are paid by State Street Global Advisors, Australia, Limited. Payments made from the Trust to State Street Global Advisors, Australia Services Limited do not include any amounts attributable to the compensation of key management personnel remuneration.

### Key management personnel loan disclosures

The Trust 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 period.

### Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the 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

For the year ended 30 June 2023, in accordance with the Trust's Constitution, the Responsible Entity was paid a total fee of 0.01% (2022: 0.01%) of the Trust per annum of the assets calculated as at the last day of each month.

During the year, the Investment Manager was paid a fee of 0.09% (2022: 0.09%) per annum calculated by reference to the month end values of the Trust.

## 14 Related party transactions (continued)

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

The transactions during the year and amounts payable at year end among the Trust and the Responsible Entity and the Investment Manager were as follows:

|  | Year ended   |              |
|--|--------------|--------------|
|  | 30 June 2023 | 30 June 2022 |
|  | \$           | \$           |
| Responsible Entity's fees for the year   | 32,965       | 36,515       |
| Investment Manager's fees for the year   | 282,491      | 312,910      |
| Aggregate amounts payable to the Responsible Entity at the end of the reporting period | 4,654        | 5,370        |
| Aggregate amounts payable to the Investment Manager at the end of the reporting period | 43,565       | 49,826       |

All administration fees are paid by the Responsible Entity on behalf of the Trust.

The Trust held its bank account with State Street Bank and Trust Company during the year. As at 30 June 2023, the balance in the account was \$14,952,028 (2022: \$10,688,513).

The fees for related parties include only fees incurred by the Trust per its direct arrangement with the related parties. The indirect fees incurred by the Trust as a result of its investments in other related party trust are embedded as part of gains and losses from investments at fair value through profit or loss.

### Related party unitholdings

Parties related to the Trust (including State Street Global Advisors, Australia Services Limited, its related parties and other schemes managed by State Street Global Advisors, Australia Services Limited), held units in the Trust as follows:

#### 30 June 2023

| Unitholder                          | Number of units held opening (Units) | Number of units held closing (Units) | Fair value of investment (\$) | Interest held (%) | Number of units acquired (Units) | Number of units disposed (Units) | Distributions paid/payable by the Trust (\$) |
|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|-------------------|----------------------------------|----------------------------------|--|
| State Street Passive Balanced Trust | 3,960,015                            | 4,059,167                            | 4,059,167                     | 1.43              | 1,119,152                        | (1,020,000)                      | 119,153                                      |

#### 30 June 2022

| Unitholder                          | Number of units held opening (Units) | Number of units held closing (Units) | Fair value of investment (\$) | Interest held (%) | Number of units acquired (Units) | Number of units disposed (Units) | Distributions paid/payable by the Trust (\$) |
|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|-------------------|----------------------------------|----------------------------------|--|
| State Street Passive Balanced Trust | 3,762,172                            | 3,960,015                            | 3,960,015                     | 1.21              | 1,197,843                        | (1,000,000)                      | 7,842  |

## **14 Related party transactions (continued)**

### **Investments**

The Trust did not hold any investments in State Street Global Advisors, Australia Services Limited, its related parties or other funds managed by State Street Global Advisors, Australia Services Limited during the year (2022: Nil).

## **15 Events occurring after the reporting period**

No significant events have occurred since the end of the reporting period which would impact the financial position of the Trust disclosed in the Statement of financial position as at 30 June 2023 or the results and cash flows of the Trust for the year ended on that date.

## **16 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2023 (or 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 28 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Trust'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 Trust 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.



Jonathan Shead  
Director

Sydney  
27 September 2023

## Independent Auditor's Report to the Unitholders of State Street Australian Cash Trust

### Opinion

We have audited the financial report of State Street Australian Cash Trust (the "Fund"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report 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 2023 and of its financial performance for the year ended on that date; and
- b) 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The Directors of the Responsible Entity of the Fund are responsible for the other information. The other information comprises the information included in the Annual Report other than 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 and will 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 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 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters relating 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the Directors of the Responsible Entity of the Fund's 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's 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.

A stylized, handwritten signature of 'Ernst &amp; Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'Rita Da Silva' in black ink.

Rita Da Silva  
Partner  
Sydney  
27 September 2023