

**Cash Management Fund**  
**(registered as Common Fund No.4)**  
ARSN 092 615 275  
**Annual report**  
**For the year ended 30 June 2018**

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**Contents**

Directors' report  
Auditor's independence declaration  
Statement of comprehensive income  
Statement of financial position  
Statement of changes in equity  
Statement of cash flows  
Notes to the financial statements  
Directors' declaration  
Independent auditor's report to the unit holders of Cash Management Fund

This annual report covers Cash Management Fund as an individual entity.

The Responsible Entity of Cash Management Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:  
Level 1, 575 Bourke Street,  
Melbourne, VIC 3000.

## Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Cash Management Fund (registered as Common Fund No.4) (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2018.

## Principal activities

The Fund invests in a range of short term fixed interest and money market securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The securities will be highly liquid with a maturity date of no more than two years from the date of purchase.

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.

The various service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	Equity Trustees Limited
Investment Manager	Equity Trustees Limited
Custodian and Administrator	Equity Trustees Limited
Unit Registry	OneVue Fund Services Pty Ltd*
Statutory Auditor	Deloitte Touche Tohmatsu

\* On 13 November 2017, the Unit Registry changed from Equity Trustees Limited to OneVue Fund Services Pty Ltd.

## Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	
Ian C Westley	
Michael J O'Brien	(appointed 11 July 2018)

## Review and results of operations

During the year, the Fund continued to invest its funds in accordance with its Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 1.02% (net of fees) for the year ended 30 June 2018. The Fund's benchmark, the RBA Cash Rate returned 1.50% for the same period.

**Directors' report (continued)**

**Review and results of operations (continued)**

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

	Year ended	
	30 June 2018	30 June 2017
Operating profit/(loss) for the year (\$'000)	3,702	3,991
Distributions paid and payable (\$'000)	3,749	3,861
Distributions (cents per unit)	1.02	1.14

**Significant changes in the state of affairs**

The Fund has amended its Constitution to change the obligation to distribute trust income to unit holders effective 1 July 2017 as part of a process to become eligible to elect into the new Attribution Managed Investment Trusts ("AMIT") tax regime.

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

**Matters subsequent to the end of the financial year**

Michael J O'Brien was appointed as a director of Equity Trustees Limited on 11 July 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Fund in future financial years;
- (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 Product Disclosure Statement and 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.

**Directors' report (continued)**

**Indemnification and insurance of officers**

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

**Indemnification of auditor**

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

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 15 to the financial statements.

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

The number of interests in the Fund 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.

**Interests in the Fund**

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

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

**Environmental regulation**

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

**Rounding of amounts to the nearest thousand dollars**

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191*, 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 6.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited.



Philip D Gentry  
Chairman

Melbourne  
30 August 2018

30 August 2018

The Board of Directors  
Equity Trustees Limited  
Level 1, 575 Bourke Street  
MELBOURNE VIC 3000

Dear Board Members,

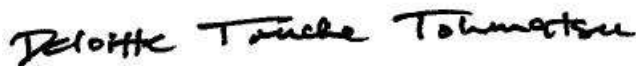
**Independence Declaration – Cash Management Fund (registered as Common Fund No 4)**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial report of Cash Management Fund (registered as Common Fund No 4) (the "Fund").


As lead audit partner for the audit of the financial statements of the Fund for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Chester Hii  
Partner  
Chartered Accountants

**Cash Management Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2018**

<b>Statement of comprehensive income</b>		<b>Year ended</b>	
	Note	<b>30 June 2018 \$'000</b>	30 June 2017 \$'000
<b>Investment income</b>			
Interest income		8,358	7,627
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	(673)	(54)
Other income		-	1
<b>Total investment income/(loss)</b>		<u>7,685</u>	<u>7,574</u>
<b>Expenses</b>			
Management fees	15	3,964	3,564
Other expenses	15	19	19
<b>Total expenses</b>		<u>3,983</u>	<u>3,583</u>
<b>Operating profit/(loss) for the year</b>		<u>3,702</u>	3,991
<b>Finance costs attributable to unit holders</b>			
Distribution to unit holders *	9	-	(3,861)
(Increase)/decrease in net assets attributable to unit holders	8	-	(130)
<b>Profit/(loss) for the year</b>		<u>3,702</u>	-
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>3,702</u>	-

\* Net assets attributable to unit holders are reclassified from liabilities to equity from 1 July 2017. As a result, the Fund's distributions are no longer classified as finance costs in the statement of comprehensive income, but rather as distributions paid and payable in the statement of changes in equity. Refer to Note 1 and Note 8 for further detail.

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

**Cash Management Fund**  
**Statement of financial position**  
**As at 30 June 2018**

Statement of financial position	Note	As at	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Assets</b>			
Cash and cash equivalents	10	95,571	122,356
Receivables	12	2,106	1,554
Financial assets held at amortised cost	6	220,000	200,000
Financial assets held at fair value through profit or loss	7	30,368	15,258
<b>Total assets</b>		<b>348,045</b>	339,168
<b>Liabilities</b>			
Distributions payable	9	284	301
Payables	13	322	327
<b>Total liabilities (30 June 2017: excluding net assets attributable to unit holders)</b>		<b>606</b>	628
<b>Net assets attributable to unit holders - liability*</b>	8	-	338,540
<b>Net assets attributable to unit holders - equity*</b>	8	<b>347,439</b>	-

\* Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further detail.

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



**Cash Management Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2018**

Statement of changes in equity	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the financial year</b>		-	-
Reclassification due to AMIT tax regime implementation*	8	<u>338,540</u>	-
		<u>338,540</u>	-
<b>Comprehensive income for the year</b>		-	-
Profit/(loss) for the year		3,702	-
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>3,702</u>	-
<b>Transactions with unit holders</b>			
Applications	8	1,262,492	-
Redemptions	8	(1,257,311)	-
Reinvestment of distributions	8	3,765	-
Distributions paid and payable	8	(3,749)	-
<b>Total transactions with unit holders</b>		<u>5,197</u>	-
<b>Total equity at the end of the financial year*</b>		<u>347,439</u>	-

\*Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer Note 1 and Note 8 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the year ended 30 June 2018.

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

**Cash Management Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2018**

Statement of cash flows	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at amortised cost		430,000	335,000
Purchase of financial instruments held at amortised cost		(450,000)	(415,000)
Proceeds from sale of financial instruments held at fair value through profit or loss		19,580	-
Purchase of financial instruments held at fair value through profit or loss		(35,363)	(15,314)
Interest income received		7,763	7,600
Other income received		43	(35)
Management fees paid		(3,964)	(3,616)
Other expenses paid		(24)	(30)
<b>Net cash inflow/(outflow) from operating activities</b>	11(a)	<b>(31,965)</b>	<b>(91,395)</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		1,262,492	1,386,148
Payments for redemptions by unit holders		(1,257,311)	(1,467,122)
Distributions paid to unit holders		(1)	(2)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>5,180</b>	<b>(80,976)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(26,785)</b>	<b>(172,371)</b>
Cash and cash equivalents at the beginning of the year		<b>122,356</b>	<b>294,727</b>
<b>Cash and cash equivalents at the end of the year</b>	10	<b>95,571</b>	<b>122,356</b>
Non-cash operating and financing activities	11(b)	<b>3,765</b>	<b>3,959</b>

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

## **Notes to the financial statements**

### **Contents**

- 1 General information
- 2 Summary of significant accounting policies
- 3 Financial risk management
- 4 Fair value measurement
- 5 Net gains/(losses) on financial instruments held at fair value through profit or loss
- 6 Financial assets held at amortised cost
- 7 Financial assets held at fair value through profit or loss
- 8 Net assets attributable to unit holders
- 9 Distributions to unit holders
- 10 Cash and cash equivalents
- 11 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
- 12 Receivables
- 13 Payables
- 14 Remuneration of auditor
- 15 Related party transactions
- 16 Events occurring after the reporting period
- 17 Contingent assets and liabilities and commitments

## **1 General information**

These financial statements cover Cash Management Fund (registered as Common Fund No.4) (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 26 May 2000 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in a range of short term fixed interest and money market securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The securities will be highly liquid with a maturity date of no more than two years from the date of purchase.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts (“MITs”) was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust (“AMIT”) regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see Note 8 for further information.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. 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 (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of amortised cost 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 do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at amortised cost 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 unit holders, the units are redeemable on demand at the unit holder's 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 (IFRS)*

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

## **2 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

#### *(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 2017 that have a material impact on the amounts recognised in the prior periods or will effect the current or future periods.

#### *(iii) New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- **AASB 9 *Financial Instruments*** (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition, classification and measurement of the Fund's financial instruments that are held at fair value through profit or loss. The impact on the recognition, classification and measurement of the Fund's financial instruments that are held at amortised cost is still being assessed. Therefore, the full impact is not currently known. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. The impact of the change in impairment rules for the Fund's investments held at amortised cost is still being assessed. Therefore, the full impact is not currently known. However, it is expected that there will be an immaterial impact for the Fund's investments held at fair value through profit or loss from the change in impairment rules. The directors intend to adopt AASB 9 in the 30 June 2019 financial year.

- **AASB 15 *Revenue from Contracts with Customers*** (effective from 1 January 2018)

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main source of income is interest on financial instruments held at amortised cost. This is outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

## **2 Summary of significant accounting policies (continued)**

### **(b) Financial instruments**

#### *(i) Classification*

The Fund's investments are classified as:

- Financial instruments held at amortised cost

Financial instruments held at amortised cost at inception are those with fixed or determinable payments and fixed maturity dates that the Fund has the positive intent and ability to hold to maturity. These are investments in interest bearing securities such as term deposits. Term deposits are initially recognised at a fair value and then carried at amortised cost using the effective interest method.

- Financial instruments designated at fair value through profit or loss upon initial recognition

Financial instruments designated at fair value through profit or loss at inception are those that are not held for trading purposes and which may be sold. These instruments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Product Disclosure Statement. The Fund's policy is for the Investment Manager to evaluate information about these financial instruments on a fair value basis together with other related financial information. These are investments in the interest bearing securities such as corporate bonds.

#### *(ii) Recognition and 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 the amortised cost of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

#### *(iii) Measurement*

- Financial instruments held at amortised cost

Financial assets are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

The financial assets are assessed for indicators of impairment at the end of each reporting period. The financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

## **2 Summary of significant accounting policies (continued)**

- Financial instruments held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

### *(iv) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has 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.

### **(c) Net assets attributable to unit holders**

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

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 the reporting date if the holder exercises the right to put the units back to the Fund.

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-rate 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 instruments does not include any contractual obligations to deliver cash or another financial assets, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and 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.

As at 30 June 2017, net assets attributable to unit holders are classified as a financial liability. Effective from 1 July 2017, the Fund's units have been classified from financial liability to equity as they satisfied all the above criteria.

### **(d) 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 and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

## **2 Summary of significant accounting policies (continued)**

### **(e) Investment income**

Interest income on cash and cash equivalent and interest bearing securities is recognised in the statement of comprehensive income on an accruals basis. Interest income on financial assets held at fair value through profit or loss is recognised using the effective interest method. Other changes in the fair value of such financial instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

### **(f) Expenses**

All expenses 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 unit holders.

### **(h) Distributions**

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

### **(i) Increase/decrease in net assets attributable to unit holders**

Income not distributed is included in net assets attributable to unit holders. Where the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

### **(j) Functional and presentation currency**

Balances 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.

### **(k) Receivables**

Receivables may include amounts for interest. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. 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 owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.



## **2 Summary of significant accounting policies (continued)**

### **(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 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 management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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 current and next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **(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* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

### **(q) Comparative revisions**

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**

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund 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*

The Fund is exposed to price risk on money market securities quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

The table on Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests moves by +/-10% .

### 3 Financial risk management (continued)

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

##### (ii) Interest rate risk

The Fund's interest bearing financial assets 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. The risk is measured using sensitivity analysis.

As the majority of the Fund's financial assets and liabilities are interest bearing, the Fund is subject to significant interest rate risk. Interest rate risk is managed by investing excess cash and cash equivalents at short term market interest rate product.

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>As at 30 June 2018</b>				
<b>Assets</b>				
Cash and cash equivalents	95,571	-	-	95,571
Receivables	-	-	2,106	2,106
Financial assets held at amortised cost	-	220,000	-	220,000
Financial assets held at fair value through profit or loss	-	30,368	-	30,368
<b>Total assets</b>	<b>95,571</b>	<b>250,368</b>	<b>2,106</b>	<b>348,045</b>
<b>Liabilities</b>				
Distributions payable	-	-	284	284
Payables	-	-	322	322
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>606</b>	<b>606</b>
<b>Net exposure</b>	<b>95,571</b>	<b>250,368</b>	<b>1,500</b>	<b>347,439</b>
<b>As at 30 June 2017</b>				
<b>Assets</b>				
Cash and cash equivalents	122,356	-	-	122,356
Receivables	-	-	1,554	1,554
Financial assets held at amortised cost	-	200,000	-	200,000
Financial assets held at fair value through profit or loss	-	15,258	-	15,258
<b>Total assets</b>	<b>122,356</b>	<b>215,258</b>	<b>1,554</b>	<b>339,168</b>
<b>Liabilities</b>				
Distributions payable	-	-	301	301
Payables	-	-	327	327
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>628</b>	<b>628</b>
<b>Net exposure</b>	<b>122,356</b>	<b>215,258</b>	<b>926</b>	<b>338,540</b>

The table at Note 3(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in amortised cost of changes in future cash flows. The analysis is based on the assumption that the interest rates changed by +/- 100 basis points (2017: +/- 100 basis points) from the year end rates with all other variables held constant.

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to 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 levels of changes in foreign exchange rates, interest rates and the 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 movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	<b>Impact on operating profit/net assets attributable to unit holders</b>			
	<b>Price risk</b>		<b>Interest rate risk</b>	
	<b>-100bps</b>	<b>+100bps</b>	<b>-100bps</b>	<b>+100bps</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2018</b>	<b>(304)</b>	<b>304</b>	<b>(956)</b>	<b>956</b>
As at 30 June 2017	(153)	153	(1,224)	1,224

#### (c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents and interest bearing securities invested with other authorised deposit taking institutions. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and interest bearing securities invested with other authorised deposit taking institutions.

#### (d) Liquidity risk

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

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2018 and 2017.

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

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unit holder's option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

### 3 Financial risk management (continued)

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

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

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2018</b>					
Distributions payable	284	-	-	-	284
Payables	322	-	-	-	322
Net assets attributable to unit holders - liability	347,439	-	-	-	347,439
<b>Contractual cash flows</b>	<b>348,045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348,045</b>
<b>As at 30 June 2017</b>					
Distributions payable	301	-	-	-	301
Payables	327	-	-	-	327
Net assets attributable to unit holders - liability	338,540	-	-	-	338,540
<b>Contractual cash flows</b>	<b>339,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,168</b>

### 4 Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

#### (a) Fair value in an active market (level 2)

The fair value of financial assets and liabilities that are not 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.

**4 Fair value measurement (continued)**

**(a) Fair value in an active market (level 2) (continued)**

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.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

**(b) Recognised fair value measurements**

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2018.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2018</b>				
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss:				
Fixed interest corporate bonds	-	<b>30,368</b>	-	<b>30,368</b>
<b>Total financial assets</b>	<b>-</b>	<b>30,368</b>	<b>-</b>	<b>30,368</b>
<b>As at 30 June 2017</b>				
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss:				
Fixed interest corporate bonds	-	15,258	-	15,258
<b>Total financial assets</b>	<b>-</b>	<b>15,258</b>	<b>-</b>	<b>15,258</b>

**(c) Transfer between levels**

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

**(d) Financial instruments not carried at fair value**

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

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

Net gains/losses recognised in relation to financial assets and liabilities held at fair value through profit or loss:

	<b>Year ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>		
Net realised gain/(loss) on financial assets held at fair value through profit or loss	<b>(336)</b>	-
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	<b>(337)</b>	(54)
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>(673)</b>	<b>(54)</b>

**6 Financial assets held at amortised cost**

	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Interest bearing securities with original maturities of more than 3 months	220,000	200,000
<b>Total financial assets held at amortised cost</b>	<b>220,000</b>	<b>200,000</b>

Investments in interest bearing securities with original maturities of more than 3 months is earning a fixed interest rate of between 2.03% and 2.65% as at 30 June 2018 (2017: 2.03% and 2.90%)

**7 Financial assets held at fair value through profit or loss**

	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
<b>Designated at fair value through profit or loss</b>		
Fixed interest corporate bonds	30,368	15,258
Total designated at fair value through profit or loss	30,368	15,258
<b>Total financial assets held at fair value through profit or loss</b>	<b>30,368</b>	<b>15,258</b>

**8 Net assets attributable to unit holders**

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 shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Fund classified its net assets attributable to unit holders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund has elected into the AMIT tax regime. The Fund's Constitution has been amended on the same date and it no longer has a contractual obligation to pay distributions to unit holders. Therefore the net assets attributable to unit holders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unit holders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the statement of comprehensive income, but rather as dividends paid in the statement of changes in equity.

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

	Year ended		Year ended	
	30 June 2018	30 June 2018	30 June 2017	30 June 2017
	Units '000	\$'000	Units '000	\$'000
Opening balance*	338,410	338,540	415,425	415,425
Applications	1,262,493	1,262,492	1,386,148	1,386,148
Redemptions	(1,257,310)	(1,257,311)	(1,467,122)	(1,467,122)
Reinvestment of distributions	3,765	3,765	3,959	3,959
Increase/(decrease) in net assets attributable to unit holders	-	-	-	130
Distributions paid and payable	-	(3,749)	-	-
Profit/(loss) for the year	-	3,702	-	-
<b>Closing balance</b>	<b>347,358</b>	<b>347,439</b>	<b>338,410</b>	<b>338,540</b>

\*Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017.

Refer to Note 1 for further details.

**8 Net assets attributable to unit holders (continued)**

**Capital risk management**

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.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability until 30 June 2017. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

**9 Distributions to unit holders**

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
<b>Distributions</b>				
July	325	0.09	436	0.11
August	369	0.09	432	0.11
September	342	0.09	331	0.10
October	332	0.09	310	0.10
November	309	0.09	287	0.09
December	301	0.08	303	0.09
January	291	0.08	294	0.09
February	257	0.07	263	0.08
March	316	0.09	303	0.10
April	309	0.08	294	0.09
May	313	0.09	305	0.09
June (payable)	284	0.08	301	0.09
Income paid on redemption	1	-	2	-
<b>Total distributions</b>	<b>3,749</b>	<b>1.02</b>	<b>3,861</b>	<b>1.14</b>

**Cash Management Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2018**  
**(continued)**

**10 Cash and cash equivalents**

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Cash at bank	95,571	122,356
Interest bearing securities with original maturities of 3 months or less	-	-
<b>Total cash and cash equivalents</b>	<b>95,571</b>	<b>122,356</b>

Cash at bank is earning a fixed interest rate of 1.60% as at 30 June 2018 (30 June 2017: a floating interest rate of between 1.60% and 1.85%).

Investments in interest bearing securities with original maturities of 3 months or less is earning a fixed interest rate of between 2.03% and 2.90% as at 30 June 2017.

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

	Year ended	
	30 June	30 June
	2018	2017
	\$'000	\$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	3,702	-
Increase/(decrease) in net assets attributable to unit holders	-	130
Distributions to unit holders	-	3,861
Proceeds from sale of financial instruments held at fair value through profit or loss	19,580	-
Purchase of financial instruments held at fair value through profit or loss	(35,363)	(15,314)
Purchase of financial instruments held at amortised cost	(450,000)	(415,000)
Proceeds from sale of financial instruments held at amortised cost	430,000	335,000
Net (gains)/losses on financial instruments held at fair value through profit or loss	673	54
Net change in receivables	(552)	(63)
Net change in payables	(5)	(63)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(31,965)</b>	<b>(91,395)</b>

**(b) Non-cash operating and financing activities**

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

	3,765	3,959
<b>Total non-cash operating and financing activities</b>	<b>3,765</b>	<b>3,959</b>

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

**12 Receivables**

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Interest receivable	2,065	1,470
GST receivable	41	84
<b>Total receivables</b>	<b>2,106</b>	<b>1,554</b>



**Cash Management Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2018**  
**(continued)**

**13 Payables**

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Management fees payable	301	301
Other expenses reimbursable to the Investment Manager	21	26
<b>Total payables</b>	<b>322</b>	<b>327</b>

**14 Remuneration of auditor**

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

	Year ended	
	30 June	30 June
	2018	2017
	\$	\$
<b>Deloitte Touche Tohmatsu</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	9,180	9,180
Audit of compliance plan	3,770	3,770
Total remuneration for audit and other assurance services	<u>12,950</u>	<u>12,950</u>
<i>Taxation services</i>		
Tax compliance services	4,790	6,790
Total remuneration for taxation services	<u>4,790</u>	<u>6,790</u>
<b>Total remuneration of Deloitte Touche Tohmatsu</b>	<b><u>17,740</u></b>	<b><u>19,740</u></b>

The auditor's remuneration is borne by the Responsible Entity. These fees are subsequently recovered from the Fund. Fees are stated exclusive of GST.

## **15 Related party transactions**

The Responsible Entity of Cash Management Fund (registered as Common Fund No.4) is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

Equity Trustees Limited is also the Custodian, Administrator and Investment Manager of the Fund. The contracts are on normal commercial terms and conditions.

### **(a) Key management personnel**

#### *(i) Directors*

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Philip D Gentry	Chairman
Harvey H Kalman	
Ian C Westley	
Michael J O'Brien	(appointed 11 July 2018)

#### *(ii) Other key management personnel*

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

### **(b) Transactions with key management personnel**

There were no transactions with key management personnel during the reporting period.

### **(c) Key management personnel unit holdings**

Key management personnel did not hold units in the Fund as at 30 June 2018 (30 June 2017: Nil).

### **(d) Key management personnel compensation**

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

### **(e) Key management personnel loans**

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 period.

### **(f) 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 during the financial year and there were no material contracts involving management personnel's interests existing at year end.

**15 Related Party Transactions (continued)**

**(g) Responsible Entity and Investment Manager's fees and other transactions**

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the year and amounts payable as at year end between the Fund and Equity Trustees Limited were as follows:

	<b>Year ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Management fees earned by Equity Trustees Limited for the year	<b>2,947,717</b>	2,602,826
Custodian and administration fees earned by Equity Trustees Limited for the year	<b>796,401</b>	716,241
Responsible Entity fees earned by Equity Trustees Limited for the year	<b>219,010</b>	243,933
Management fees payable to Equity Trustees Limited at the end of the year	<b>221,573</b>	224,484
Custodian and administration fees payable to Equity Trustees Limited at the end of the year	<b>62,604</b>	60,314
Responsible Entity fees payable to Equity Trustees Limited at the end of the year	<b>17,224</b>	16,594
Other expenses reimbursed to Equity Trustees Limited for costs incurred on behalf of the Fund during the year.	<b>19,348</b>	19,129
Other expenses reimbursable to Equity Trustees Limited at the end of the year	<b>20,363</b>	25,743

**(h) Related party unit holdings**

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Fund, as follows:

<b>Unit holder As at 30 June 2018</b>	<b>No. of units held at opening</b>	<b>No. of units held at closing*</b>	<b>Interest held  (%)</b>	<b>No. of units acquired</b>	<b>No. of units disposed</b>	<b>Distributions paid/payable by the Fund (\$)</b>
Equity Trustees Limited **	338,409,743	102,635,438	29.55%	148,640,784	163,184,408	1,410,171
Common Fund No 1 (Mortgage Income Fund)	1,227,573	285,411	0.08%	16,453,118	17,395,280	10,478
EQT Wholesale Mortgage Income Fund	3,584,574	7,526,529	2.17%	129,694,150	125,752,195	80,313
EQT Ltd ATF The Alfred Common Fund No.19	871,549	807,185	0.23%	3,105,588	3,169,952	8,009
EQT LTD ATF Charitable Industrial EQT Common Fund No.8	2,610,571	2,073,439	0.60%	43,897,895	44,435,026	29,187
EQT LTD ATF Industrial Equities Common Fund No.55	212,301	412,471	0.12%	1,193,576	993,406	3,205

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

<b>Unit holder As at 30 June 2018</b>	<b>No. of units held at opening</b>	<b>No. of units held at closing*</b>	<b>Interest held  (%)</b>	<b>No. of units acquired</b>	<b>No. of units disposed</b>	<b>Distributions paid/payable by the Fund (\$)</b>
EQT Ltd ATF Diversified Common Fund No.101	2,614,022	2,756,792	0.79%	3,851,759	3,708,990	29,081
EQT Ltd ATF Charitable Screened EQT Common Fund No.102	1,258,668	1,498,636	0.43%	14,637,941	14,397,972	16,687
EQT Ltd ATF Charitable Aust EQT Common Fund No.103	7,853,886	10,463,373	3.01%	82,122,472	79,512,985	95,289
EQT Ltd ATF Australian EQT Common Fund No.105	206,830	117,012	0.03%	1,816,543	1,906,360	1,545
EQT Ltd ATF Charitable Diversified Common Fund No.107	3,538,834	3,213,391	0.93%	24,874,743	25,200,186	41,044
EQT Ltd ATF Diversified Income Common Fund F1	419,260	963,071	0.28%	2,473,022	1,929,212	8,036
EQT Ltd ATF Queensland Common Fund Q1	3,084,175	6,495,385	1.87%	14,760,184	11,348,974	48,274
EQT Ltd ATF The Salvation Army Endowment Fund	457,084	486,044	0.14%	486,010	457,050	4,559
EQT Ltd ATF RSL (Long Term)	114,181	122,643	0.04%	188,976	180,514	1,195
EQT Ltd ATF RSL (Medium Term)	128,209	145,720	0.04%	138,348	120,838	1,348
EQT Ltd ATF Equity Trustees Charitable Foundation	19,568,357	22,724,957	6.54%	29,732,571	26,575,970	194,103
EQT SGH LaSalle Global Listed Property Trust	8,193	8,277	0.00%	84	-	83
EQT ATF Lakes Oil NL II	137,206	-	0.00%	1,067	138,273	935
EQT Trustees Ltd ATF FM Insurance Co Ltd S/F	1,582,042	473,596	0.14%	1,327,454	2,435,901	10,635

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

<b>Unit holder As at 30 June 2018</b>	<b>No. of units held at opening</b>	<b>No. of units held at closing*</b>	<b>Interest held  (%)</b>	<b>No. of units acquired</b>	<b>No. of units disposed</b>	<b>Distributions paid/payable by the Fund (\$)</b>
EQT Trustees Ltd ATF Itochu Australia Super Plan	212,882	345,333	0.10%	266,983	134,532	2,477
EQT Trustees Ltd ATF L & H Group Super Fund	827,878	1,930,676	0.56%	1,480,811	378,014	15,644
EQT LTD ACF The Uni of New England Prof S/F	284,608	263,848	0.08%	1,022,937	1,043,697	2,122
EQT A T F Michael Harrison & Co Ltd Agency - Augus	284,187	97,016	0.03%	445,529	632,700	2,278
Equity Trustees Ltd A T F Lowell Asset Management	11,033	11,146	0.00%	113	-	112
Equity Trustees Ltd A/C Como Financial Services Pt	107,599	-	0.00%	365	107,963	267
Equity Trustees Ltd ATF Oscar Pralle Estate	53,538	54,087	0.02%	549	-	545
EQT Ltd ACF Freedom of Choice Portfolio Service	2,545,128	3,025,604	0.87%	10,222,431	9,741,954	31,481
EQT Ltd ACF Uni Of NSW Prof Super Fund	2,084,933	1,801,695	0.52%	3,898,384	4,181,622	19,173
EQT Wealth Serv ATF Guide Dogs NSW/ACT Future Fund	215,488	215,171	0.06%	129,665	129,982	2,192
EQT Ltd ACF FOC sub-fund of TESF ORFR	640,120	646,682	0.19%	6,562	-	6,514
EQT LTD ACF The Executive SF (ASC plan)	5,056,085	2,934,002	0.84%	15,182,846	17,304,929	52,511
EQT LTD ACF The Executive SF (Primary Account)	24,096,404	81,335,193	23.42%	225,669,002	168,430,213	118,444
EQT Ltd ACF The Executive SF No.2 Executive SFund - Ashland Valvoline Pl	67,182,125	39,777,313	11.45%	19,095,188	46,500,000	548,125
	1,648,637	2,294,761	0.66%	2,258,174	1,612,050	21,043

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

<b>Unit holder As at 30 June 2018</b>	<b>No. of units held at opening</b>	<b>No. of units held at closing*</b>	<b>Interest held  (%)</b>	<b>No. of units acquired</b>	<b>No. of units disposed</b>	<b>Distributions paid/payable by the Fund (\$)</b>
EQT ACF The Executive Super Fund - Esselte Plan	26,283	151,630	0.04%	136,362	11,015	756
EQT ACF The Executive Super Fund - Jasco Plan	232,678	394,639	0.11%	208,374	46,413	3,363
EQT Ltd ACF FOC sub-fund of The Executive SF	49,111,237	28,485,806	8.20%	56,869,802	77,495,233	325,552
EQT LTD ATF The Executive SF < Equities A/C>	12,414,414	16,105,507	4.64%	67,979,355	64,288,261	239,477
EQT LTD ATF The Executive SF < Fixed Interest A/C>	2,884,405	2,304,634	0.66%	23,990,012	24,569,783	27,527
EQT ATF Gulf Communities Interim Support Fund	312,928	272,603	0.08%	4,804,218	4,844,542	2,489
ETSL ATF EquitySuper	1,389,516	-	0.00%	2,262	1,391,778	1,006
ETSL ATF EquitySuper PST	23,398	23,638	0.01%	240	-	238
EQT Ltd A T F Eqtwmif Fees Account	102,804	4,846	0.00%	156,778	254,736	310
EQT Ltd ACF The Sydney Indust Prop Pooled S/Trust	4,859	2,182	0.00%	635,724	638,402	115
Enterprise Plan a sub fund of TESF	-	1,196,535	0.34%	90,227,597	89,031,063	227,825
ENTERPRISE PLAN A SUB FND OF TESF ORFR	-	318,220	0.09%	318,220	-	3,171
EQT Ltd ATF PIF A Sub Fund of TESF ORFR	-	97,723	0.03%	335,679	237,957	2,001
EQT ATF Maxfield Property Trust	-	56,972	0.02%	5,544,667	5,487,695	2,212

\* Units may also be expressed as dollars, as Fund price is \$1. Hence, the number of units at close, is also the amortised cost.

\*\* Held by Equity Trustees Limited in its role as Trustee for other parties not separately disclosed in this note.

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

Unit holder As at 30 June 2017	No. of units held at opening	No. of units held at closing*	Interest held  (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
Equity Trustees Limited **	128,585,902	117,179,062	34.63%	182,367,955	193,774,796	1,358,679
Common Fund No 1 (Mortgage Income Fund)	3,415,157	1,227,573	0.36%	27,042,185	29,229,769	40,345
EQT Wholesale Mortgage Income Fund	3,527,580	3,584,574	1.06%	167,458,302	167,401,308	165,122
EQT Ltd ATF The Alfred Common Fund No.19	1,644,301	871,549	0.26%	3,617,263	4,390,015	12,351
EQT LTD ATF Charitable Industrial EQT Common Fund No.8	2,624,295	2,610,571	0.77%	36,561,362	36,575,086	37,588
EQT LTD ATF Charitable Div Ex-Mining Common Fund No.24	1,331,062	-	0.00%	8,750,811	10,081,873	18,414
EQT LTD ATF Industrial Equities Common Fund No.55	229,668	212,301	0.06%	2,097,183	2,114,550	3,273
EQT Ltd ATF Diversified Common Fund No.101	2,905,246	2,614,022	0.77%	9,646,500	9,937,724	34,191
EQT Ltd ATF Charitable Screened EQT Common Fund No.102	1,453,333	1,258,668	0.37%	15,120,510	15,315,175	15,124
EQT Ltd ATF Charitable Aust EQT Common Fund No.103	6,523,616	7,853,886	2.32%	71,583,444	70,253,174	92,311
EQT Ltd ATF Australian EQT Common Fund No.105	233,501	206,830	0.06%	7,132,543	7,159,214	3,044
EQT Ltd ATF Charitable Diversified Common Fund No.107	2,930,672	3,538,834	1.05%	33,657,912	33,049,750	43,127
EQT Ltd ATF Diversified Income Common Fund F1	1,944,477	419,260	0.12%	5,391,425	6,916,642	11,827
EQT Ltd ATF Queensland Common Fund Q1	4,778,207	3,084,175	0.91%	19,959,164	21,653,196	64,821
EQT Ltd ATF The Salvation Army Endowment Fund	403,192	457,084	0.14%	537,554	483,662	5,168
EQT Ltd ATF RSL (Long Term)	75,608	114,181	0.03%	207,086	168,513	1,273

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

Unit holder As at 30 June 2017	No. of units held at opening	No. of units held at closing*	Interest held  (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
EQT Ltd ATF RSL (Medium Term)	60,016	128,209	0.04%	157,329	89,136	1,328
EQT Ltd ATF Equity Trustees Charitable Foundation	17,082,396	19,568,357	5.78%	24,457,798	21,971,837	194,442
Global Listed Property Trust	8,100	8,193	0.00%	93	-	92
EQT ATF Lakes Oil NL	363,302	-	0.00%	68,650	431,952	2,210
EQT ATF Lakes Oil NL II	-	137,206	0.04%	206,070	68,865	1,604
EQT Trustees Ltd ATF FM Insurance Co Ltd S/F	1,085,601	1,582,042	0.47%	3,274,568	2,778,127	11,532
EQT Trustees Ltd ATF Itochu Australia Super Plan	184,869	212,882	0.06%	3,036,851	3,008,838	2,739
EQT Trustees Ltd ATF L & H Group Super Fund	721,281	827,878	0.24%	1,282,873	1,176,276	11,721
EQT LTD ACF The Uni of New England Prof S/F	67,716	284,608	0.08%	4,259,095	4,042,203	3,121
EQT A T F Michael Harrison & Co Ltd Agency - Augus	267,725	284,187	0.08%	16,696	234	3,103
Equity Trustees Ltd A T F Lowell Asset Management	10,908	11,033	0.00%	125	-	123
Equity Trustees Ltd A/C Como Financial Services Pt	106,383	107,599	0.03%	1,216	-	1,204
Equity Trustees Ltd ATF Oscar Pralle Estate	52,933	53,538	0.02%	605	-	599
EQT Ltd ACF Freedom of Choice Portfolio Service	2,933,878	2,545,128	0.75%	5,233,487	5,622,237	32,075
EQT Ltd ACF Uni Of NSW Prof Super Fund	1,012,590	2,084,933	0.62%	5,935,679	4,863,336	19,173
EQT Wealth Serv ATF Guide Dogs	1,373	215,488	0.06%	2,404,665	2,190,550	4,131
NSW/ACT Future EQT Ltd ACF FOC sub-fund of TESF ORFR	633,038	640,120	0.19%	7,082	-	7,162



**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

Unit holder As at 30 June 2017	No. of units held at opening	No. of units held at closing*	Interest held  (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
EQT Ltd ATF GAMARBDF AUD Class	164,027	-	0.00%	99,988,321	100,152,348	1,274
GAM Absolute Return Bond Fund	518,642	-	0.00%	31,020,578	31,539,220	6,184
EQT LTD ACF The Executive SF (ASC Executive SF (Primary Account)	5,110,425	5,056,085	1.49%	15,794,793	15,849,133	80,191
	11,444,353	24,096,404	7.12%	201,839,427	189,187,376	118,443
EQT Ltd ACF The Executive SF No.2	167,825,328	67,182,125	19.85%	36,856,797	137,500,000	914,176
EQT ACF The Executive SFund - Ashland Valvoline PI	518,568	1,648,637	0.49%	2,050,693	920,624	10,644
EQT ACF The Executive Super Fund - Esselte Plan	13,938	26,283	0.01%	222,216	209,871	321
EQT ACF The Executive Super Fund - Executive Super Fund <Progress Plan>	48,241	232,678	0.07%	203,772	19,335	1,553
	4,181	-	0.00%	8,051,347	8,055,528	9,168
EQT Ltd ACF FOC sub-fund of The Executive SF	33,739,240	49,111,237	14.51%	119,433,330	104,061,333	359,879
EQT LTD ACF The Exec. SF (Atwood Oceanics Plan)	6,550,050	-	0.00%	720,744	7,270,794	24,427
EQT LTD ACF The Executive SF (Sparxx Plan)	119,959	-	0.00%	50,967	170,926	836
EQT Ltd ACF The Executive SF (Freshfoods Plan)	2,151,743	-	0.00%	18,602	2,170,345	13,633
EQT LTD ATF The Executive SF < Equities A/C>	-	12,414,414	3.67%	44,255,754	31,841,340	99,487
Executive SF < Fixed Interest A/C>	-	2,884,405	0.85%	8,626,670	5,742,265	9,564
EQT ATF Gulf Communities Interim Support Fund	-	312,928	0.09%	4,108,620	3,795,692	4,567
ETSL ATF EquitySuper	-	1,389,516	0.41%	1,389,516	-	1,256
ETSL ATF EquitySuper PST	-	23,398	0.01%	23,398	-	21
EQT Ltd A T F Eqtwmif Fees Account	17,133	102,804	0.03%	399,261	313,590	314

**15 Related Party Transactions (continued)**

**(h) Related party unit holdings (continued)**

Unit holder As at 30 June 2017	No. of units held at opening	No. of units held at closing*	Interest held (%)	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund (\$)
EQT Ltd ACF The Sydney Indust Prop Pooled S/Trust	1,492	4,859	0.00%	535,111	531,744	92

\* Units may also be expressed as dollars, as Fund price is \$1. Hence, the number of units at close, is also the fair value of investment.

\*\* Held by Equity Trustees Limited in its role as Trustee for other parties not separately disclosed in this note.

**16 Events occurring after the reporting period**

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2018 or on the results and cash flows of the Fund for the year ended on that date.

**17 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2018 and 30 June 2017.

**Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 7 to 34 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 2018 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 also comply with the 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 Equity Trustees Limited.



Philip D Gentry  
Chairman

Melbourne  
30 August 2018

## Independent Auditor's Report to the Unit Holders of Cash Management Fund (registered as Common Fund No 4)

### *Opinion*

We have audited the financial report of Cash Management Fund (registered as Common Fund No 4) (the "Fund") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (i) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Directors for the Financial Report*

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

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

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Chester Hii', with a long horizontal stroke and a vertical line extending downwards from the end.

Chester Hii  
Partner  
Chartered Accountants  
Melbourne, 30 August 2018