



**Government  
of South Australia**

**THE PUBLIC TRUSTEE**  
**2018-19**  
**Common Fund Annual Report**

**The Public Trustee**

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To:

The Honourable Vickie Chapman MP

Deputy Premier

Attorney-General

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Trustee Act 1995* and the *Public Sector Act 2009* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Public Trustee by:

**Nicolle Rantanen**

**The Public Trustee (Acting)**

**25 September 2019**

## From the Public Trustee

The Public Trustee's purpose is to provide financial and administrative services to eligible South Australians, to help those that cannot manage their own affairs and those who have trusted the organisation to assist them.

During 2018-19 the Public Trustee updated its Strategic Plan for 2019-2021. The core objectives of the organisation are to provide a positive customer experience, improve the way services are delivered, ensure appropriate governance and financial sustainability and support the people delivering that service. The continued focus has and will be on cultural change, wellbeing, workforce planning, training, recognition and improving the customer experience.

During 2018-19 the Public Trustee continued to address recommendations of the Independent Commissioner Against Corruption's (ICAC) Evaluation of the Practices, Policies and Procedures. This has included streamlining policies and procedures, increased training of staff, improving staff communication as well as ensuring robust procurement processes. We have continued to report to the Commissioner on progress against his recommendations.

There have been a number of changes announced to the Public Trustee services which will be implemented over 2019-20 and 2020-21. These include changes to eligibility for Will and Enduring Power of Attorney making services and ceasing to provide an investment service for private investors under Section 29 (1) (b) of the *Public Trustee Act 1995*. The implementation of these reforms is aimed at returning the Public Trustee back to its core business as a trustee, executor and administrator. Over 84,000 letters were sent to existing Will and Enduring Power of Attorney holders during the year advising them of the changes.

The operations of the Public Trustee have been improved in 2018-19 by:

- Taking an incremental approach to modernising the existing electronic systems. As part of this approach, the Public Trustee implemented telephone call and management recording in January 2019. The technology was used to establish dedicated phone lines and queues to support the changes to Will making and Section 29 (1) (b) investors. The system will continue to be enhanced over time and will form part of staff coaching and training.
- Strengthening investment governance with the appointment of an external Independent Investment Chair.
- The development of a series of dashboards that monitor performance against service standards and key areas of service provision to improve the customer experience.
- Strengthening our staff training regime, improved staff consultation and organisational changes to improve workforce capacity and capability.
- An annual staff recognition event has also been implemented.

As part of the 2018-19 State Budget, a Community Service Obligation framework was approved and implemented to fund the Public Trustee's non-commercial services.

The Public Trustee's profit for 2018-19 was \$4.938m.

All investment options finished with positive returns, despite a volatile start to the financial year. Growth oriented strategies with a higher weighting to shares, property and infrastructure were the best performers.

In terms of market performance the Public Trustee's more conservative investment style with a focus on value and quality led to some underperformance from benchmark over the last 12 months, due to a rally in high growth/speculative stocks within the market. The Public Trustee's investment returns ranged from 1.92% for cash to 4.54% for growth, net of fees.

The State Government has also announced its intention to merge the Public Trustee and the Office of the Public Advocate, under reforms aimed at improving services to vulnerable South Australians. The proposed merger would see customers and clients who currently use the services of both the Public Trustee and Office of the Public Advocate dealing with one agency that addresses all of their needs, providing a more consistent and coordinated service.

Nicolle Rantanen  
The Public Trustee (Acting)

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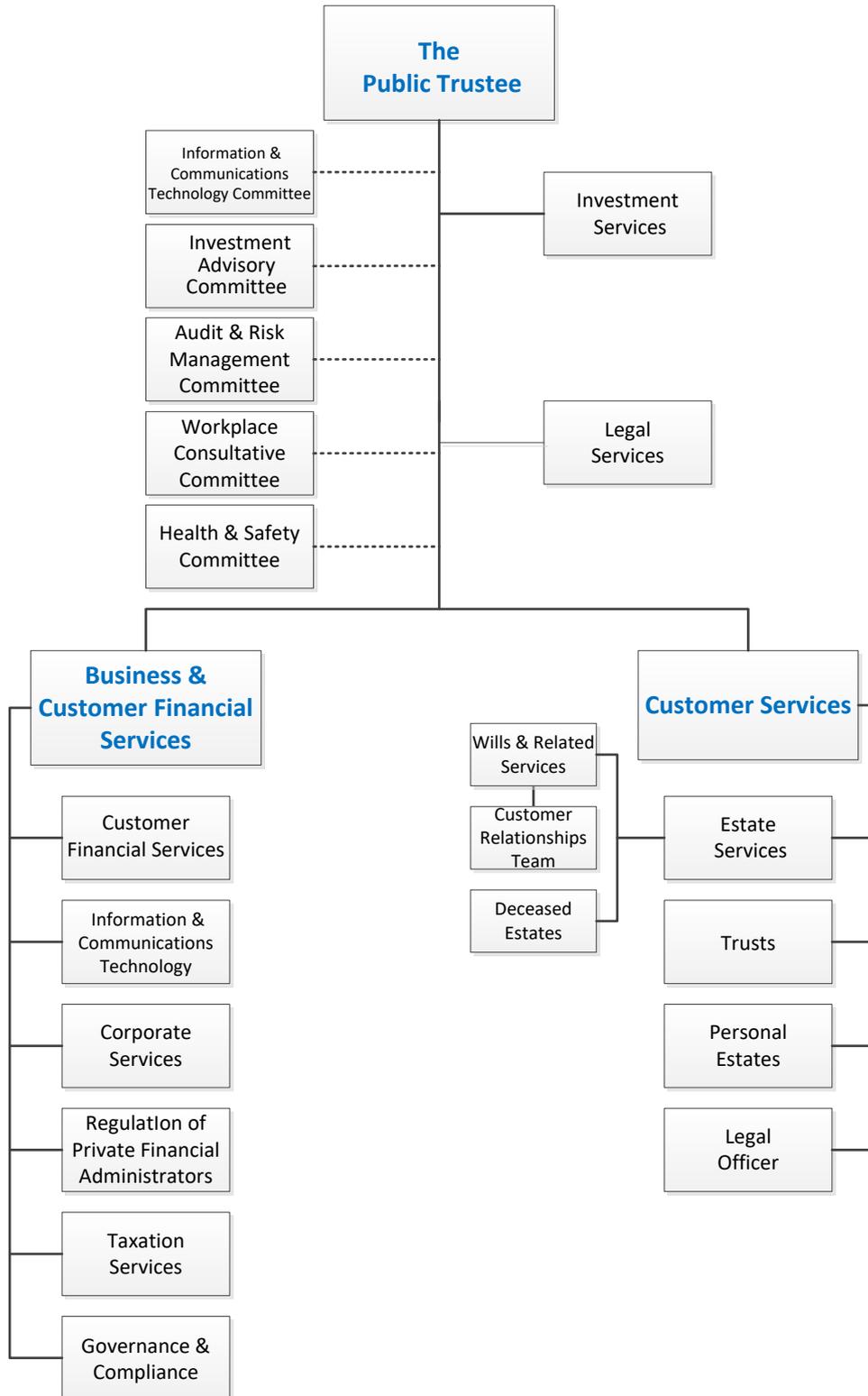
## Overview: about the agency

### Our strategic focus

<p><b>Our Purpose</b></p>	<p>We provide financial and administrative services to eligible South Australians. We help those who cannot manage their own affairs, and those who have trusted us to assist them.</p>
<p><b>Our Values</b></p>	<p><b>Service</b></p> <p><i>Proudly serve the community and Government of South Australia</i></p> <ul style="list-style-type: none"> <li>• Provide friendly, timely, knowledgeable and accurate information to customers.</li> <li>• Explain things in an easy to understand and jargon-free way.</li> <li>• Show empathy and put yourself in the customers' shoes.</li> </ul> <p><b>Professionalism</b></p> <p><i>Strive for excellence</i></p> <ul style="list-style-type: none"> <li>• Provide relevant and timely responses to requests.</li> <li>• Follow through on priorities, and care about your work.</li> <li>• Encourage ongoing learning to maintain and update knowledge.</li> </ul> <p><b>Trust</b></p> <p><i>We have confidence in the ability of others</i></p> <ul style="list-style-type: none"> <li>• Trust the team to do the right thing.</li> <li>• Empower and encourage others to participate in decision making.</li> </ul> <p><b>Respect</b></p> <p><i>We value every individual</i></p> <ul style="list-style-type: none"> <li>• Be polite, listen to opinions, and provide feedback.</li> <li>• Treat everyone with dignity.</li> </ul> <p><b>Collaboration and Engagement</b></p> <p><i>We create solutions together</i></p> <ul style="list-style-type: none"> <li>• Consult, genuinely listen to and consider people's views.</li> <li>• Work together to solve problems.</li> </ul>

	<p><b>Honesty and Integrity</b>  <i>We act truthfully, consistently, and fairly</i></p> <ul style="list-style-type: none"> <li>• Act ethically and manage risks appropriately.</li> <li>• Provide honest feedback.</li> </ul> <p><b>Courage and Tenacity</b>  <i>We never give up</i></p> <ul style="list-style-type: none"> <li>• Be brave and put forward ideas.</li> <li>• Challenge accepted norms.</li> </ul> <p><b>Sustainability</b>  <i>We work to get the best results for current and future generations of South Australians</i></p> <ul style="list-style-type: none"> <li>• Value our customers and staff.</li> <li>• Think broadly to increase efficiency</li> </ul>
<p><b>Our objectives</b></p>	<p>The Public Trustee’s Strategic Plan includes the following objectives;</p> <p><b>People</b></p> <ul style="list-style-type: none"> <li>• We will be a workplace of choice. Our staff will be engaged in our culture and feel empowered by leaders to develop their skills and capabilities.</li> </ul> <p><b>Customer Experience</b></p> <ul style="list-style-type: none"> <li>• We will engage with our customers to understand their needs, and deliver a consistently high quality service, treating them with empathy and respect.</li> </ul> <p><b>Continuous Business Improvement</b></p> <ul style="list-style-type: none"> <li>• Our environment will encourage staff to collaboratively engage with business improvement ideas and initiatives, to find new ways to work and deliver excellent service to our customers.</li> </ul> <p><b>Governance &amp; Financial Stability</b></p> <ul style="list-style-type: none"> <li>• We will be supported by good governance that effectively manages risk, while meeting our agreed fiscal and service targets.</li> </ul>

## Our organisational structure



## Changes to the agency

During 2018-19 the following changes to the agency's structure and objectives were announced.

These changes to services will take effect from 1 July 2019 onwards.

### i) *Will & Enduring Power of Attorney Eligible Customers*

From 1 July 2019, the Public Trustee will be changing the way it delivers Will making and Enduring Power of Attorney services. Previously, these services were available for free to all South Australians. However, from July 1 2019, these services are only available to eligible concession holders or those subject to administration or protection orders issued by the South Australian Civil and Administrative Tribunal (SACAT) or the Courts.

To be eligible, a person must hold one of the following concession cards:

- Pensioner Concession Card
- Gold Card from the Department of Veterans' Affairs (DVA)
- Totally and Permanently Incapacitated (TPI)
- Extreme Disablement Adjustment (EDA)
- War Widow
- DVA Gold Card issued to a person with 80 or more overall impairment points under the Military Rehabilitation and Compensation Act 2004
- Low Income Health Care Card
- Commonwealth Seniors Health Card

Or receive one of the following Centrelink payments:

- Newstart Allowance
- Sickness Allowance
- Widow Allowance
- Youth Allowance
- Partner Allowance
- Parenting Payment
- Special Benefit
- Community Development Employment Project (CDEP)
- New Enterprise Incentive Scheme (NEIS)
- ABSTUDY
- Austudy
- Farm Household Allowance
- War widow pension under legislation of the United Kingdom or New Zealand.

ii) *Changes to Investment Services*

The Public Trustee has previously accepted money from a variety of approved investors under Section 29 (1) (b) of the *Public Trustee Act 1995*.

The *Public Trustee Act 1995* provides that the Minister may approve classes of persons that can invest money with the Public Trustee (Section 29(1) (b)).

Up until 30 June 2019 that approval included the following classes of people:

1. Wills and customers of the Public Trustee
2. Beneficiaries of estates and trusts administered by the Public Trustee, when funds would otherwise be distributed
3. Trustees of estates and trusts
4. Trustees of charitable funds
5. Religious organisations
6. Trusts of Self-Managed Superannuation Funds
7. Staff

The government does not consider that investing funds other than as part of its role in administering client money is the core business of the Public Trustee.

From 1 July 2019 the Public Trustee has ceased accepting any new deposits, with the service to be fully phased out by 30 June 2021. This will enable the existing clients (approximately 230) sufficient time to seek the necessary accounting and taxation advice, and arrange for an alternative investment provider.

iii) *The State Government has announced its intention to merge the Public Trustee and the Office of the Public Advocate, under reforms aimed at improving services to vulnerable South Australians*

The proposed merger would see customers and clients who currently use the services of both the Public Trustee and Office of the Public Advocate dealing with one agency that addresses all of their needs, providing a more consistent and coordinated service.

The Public Advocate ([opa.sa.gov.au](http://opa.sa.gov.au)) advocates on behalf of South Australians with a mental incapacity, investigating matters where an individual with a mental incapacity is at risk and can also manage decisions relating to a mentally incapacitated client's accommodation, health, lifestyle and access.

It is important to note that the proposed merger will require legislative change – meaning that State Parliament will ultimately decide if the merger proceeds.

## Our Minister



The Hon Vickie Chapman MP, Deputy Premier and Attorney-General is the state's principal legal advisor to the government and responsible for the administration of justice. The Attorney-General is a member of Cabinet and responsible for:

- specific legislation and the state's legal system
- developing and implementing policy
- legal action relevant to the state government.

## Our Executive team



### **Nicolle Rantanen**

The Public Trustee (Acting)

The Public Trustee is responsible to the Attorney-General for the efficient management of the Public Trustee Office and the effective implementation of the *Public Trustee Act 1995*. The role encompasses acting as administrator, executor or trustee of deceased estates, as administrator of estates of protected persons under the *Guardianship and Administration Act*, as manager of estates of protected persons under the *Aged and Infirm Persons' Property Act* and as attorney or agent. The Public Trustee is also the trustee for minors as a result of distributions in intestate estates administered by private administrators and by appointment as trustees for other trusts and Wills.



### **Tony Brumfield**

General Manager Business and Client Financial Services

The General Manager Business and Client Financial Services oversees a comprehensive range of business and support services including ICT systems, corporate financial and administrative services, risk management and human resources. The role is also responsible for financial services for customers including financial management and reporting, accounts payable and receivable, investment services and taxation and superannuation services.



### **Kevin Kelly**

General Manager Customer Services

The General Manager, Customer Services ensures the delivery of high quality deceased estate, trust, financial administration, Will-making and litigation guardian services. The role provides high level leadership to develop and implement business reform strategies to enhance the customer's experience and create a positive service focused culture.

## **Legislation administered by the agency**

### *Public Trustee Act 1995*

Under the provisions of Section 5(2) of the *Public Trustee Act 1995*, the Public Trustee may act as: a trustee, executor of a Will, administrator of an estate (whether or not of a deceased person), manager, receiver, committee, curator, guardian, next friend, agent, attorney, or stakeholder.

Other Acts that form the basis of how, and which, Public Trustee services are delivered to customers are as follows:

- *Administration and Probate Act 1919;*
- *Aged and Infirm Persons' Property Act 1940;*
- *Family Relationships Act 1975;*
- *Guardianship and Administration Act 1993;*
- *Inheritance (Family Provision) Act 1972;*
- *Legal Practitioners Act 1981;*
- *Powers of Attorney and Agency Act 1984;*
- *South Australian Civil and Administrative Act 2013;*
- *Trustee Act 1936; and*
- *Wills Act 1936.*

## **Other related agencies**

The Public Trustee is a business unit of the South Australian Attorney-General's Department (AGD) and as such complies with AGD policies. The Public Trustee employees are employees of the AGD.

The Public Trustee works closely with SACAT who appoints the Public Trustee to administer the personal financial and/or legal affairs of people who are unable to manage their own affairs. The Public Trustee works with the Office of the Public Advocate (OPA) when there are mutual customers i.e. OPA as guardian and the Public Trustee as financial administrator.

## **Other information**

Under the *Public Corporations Act 1993*, a Charter must be prepared for a Public Corporation and agreed between the Attorney-General and the Treasurer.

The Charter describes the reporting and accountability requirements and outlines objectives for invested customer funds, financial and other performance targets. It also sets out the responsibilities and the expectations of both the Public Trustee and the Government. The Charter is reviewed annually.

## Customer Investments

All investment options finished with positive returns, despite a volatile start to the financial year. Growth oriented strategies with a higher weighting to shares, property and infrastructure were the best performers.

In terms of market performance the Public Trustee's more conservative investment style with a focus on value and quality led to some underperformance from benchmark over the last 12 months, due to a rally in high growth/speculative stocks within the market. The Public Trustee's investment returns ranged from 1.92% for cash to 4.54% for growth, net of fees.

The Public Trustee's investment strategies have outperformed their CPI targets over each of the suggested time horizons, as illustrated below:

### Investment Performance versus CPI Objectives as at 30 June 2019

Investment Strategy	CPI Objective	Investment Horizon	Target Return % pa	Actual Return % pa	Over (+)/ Under(-)	Outperformance % pa
Capital Stable	CPI + 1.5% pa	3 Years	3.37%	3.97%	+	0.60%
Balanced	CPI + 3% pa	5 Years	4.63%	5.92%	+	1.29%
Growth	CPI + 3.5% pa	7 Years	5.43%	9.54%	+	4.11%
Equities	CPI + 4% pa	10 Years	6.14%	10.58%	+	4.44%

During the financial year, the Public Trustee allocated additional funds towards unlisted property and appointed a new specialist global fixed interest manager. These new investments are expected to generate a reasonable level of income, at a time where cash rates are at record lows.

## 2018–19 Investment Strategies

### 2018–19 Standard Investment Strategies' Performance

	Last 12 Months	Last 3 Years (Annualised)	Last 5 Years (Annualised)	Last 7 Years (Annualised)	Last 10 Years (Annualised)
<b>Cash</b>	<b>1.92%</b>	<b>1.85%</b>	<b>2.09%</b>	<b>2.50%</b>	<b>3.23%</b>
Benchmark	0.96%	0.86%	1.08%	1.34%	1.99%
Variance	0.96%	0.99%	1.01%	1.16%	1.24%
<b>Capital Stable</b>	<b>3.10%</b>	<b>3.97%</b>	<b>4.04%</b>	<b>5.12%</b>	<b>5.44%</b>
Benchmark	5.55%	4.19%	4.07%	4.89%	5.29%
Variance	-2.45%	-0.22%	-0.03%	0.23%	0.15%
<b>Balanced</b>	<b>4.24%</b>	<b>6.12%</b>	<b>5.92%</b>	<b>7.70%</b>	<b>7.52%</b>
Benchmark	8.22%	6.79%	6.15%	7.64%	7.61%
Variance	-3.98%	-0.67%	-0.23%	0.06%	-0.09%
<b>Growth</b>	<b>4.54%</b>	<b>7.83%</b>	<b>7.14%</b>	<b>9.54%</b>	<b>8.83%</b>
Benchmark	8.64%	8.50%	7.16%	9.36%	8.69%
Variance	-4.10%	-0.67%	-0.02%	0.18%	0.14%

<b>Equities</b>	<b>4.45%</b>	<b>11.22%</b>	<b>9.09%</b>	<b>12.44%</b>	<b>10.58%</b>
Benchmark	9.24%	11.97%	8.96%	12.30%	10.10%
Variance	-4.79%	-0.75%	0.13%	0.14%	0.48%

The cash objective is to provide customers a very low risk strategy designed to achieve a return comparable to the 90 day bank bill rate and provide the advantage of having funds available at 24 hour call for amounts of up to \$1m.

## 2018–19 Asset Allocation

### 2018–19 Capital Stable Standard Investment Strategy

Common Fund	Allocation (%) 2018-19			Allocation (%) 2017-18		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	10.0%	9.9%	\$13.25	10.0%	10.5%	\$13.13
Overseas Shares	8.0%	7.9%	\$10.52	8.0%	8.1%	\$10.19
Property	10.0%	10.5%	\$14.00	10.0%	10.0%	\$12.52
Long Term Fixed Interest	15.0%	14.9%	\$19.87	15.0%	14.8%	\$18.53
Short Term Fixed Interest	26.5%	26.6%	\$35.44	26.5%	26.5%	\$33.27
Overseas Fixed Interest	12.5%	12.1%	\$16.16	12.5%	12.0%	\$15.05
Cash	18.0%	18.1%	\$24.11	18.0%	18.1%	\$22.70
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$133.35</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$125.39</b>

### 2018–19 Balanced Standard Investment Strategy

Common Fund	Allocation (%) 2018-19			Allocation (%) 2017-18		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	19.0%	18.8%	\$48.58	19.0%	19.8%	\$46.81
Overseas Shares	16.0%	15.8%	\$40.65	16.0%	16.2%	\$38.28
Property	20.0%	21.0%	\$54.03	20.0%	19.9%	\$47.00
Long Term Fixed Interest	22.0%	21.8%	\$56.16	22.0%	21.6%	\$50.89
Short Term Fixed Interest	7.0%	7.0%	\$18.05	7.0%	7.0%	\$16.47
Overseas Fixed Interest	12.0%	11.6%	\$29.93	12.0%	11.5%	\$27.09
Cash	4.0%	4.0%	\$10.34	4.0%	4.0%	\$9.46
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$257.74</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$236.00</b>

### 2018–19 Growth Standard Investment Strategy

Common Fund	Allocation (%) 2018-19			Allocation (%) 2017-18		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	29.0%	28.8%	\$64.79	29.0%	30.0%	\$65.54
Overseas Shares	24.0%	23.6%	\$53.28	24.0%	24.1%	\$52.68
Property	20.0%	20.9%	\$47.19	20.0%	19.7%	\$43.10
Long Term Fixed Interest	12.5%	12.4%	\$27.86	12.5%	12.1%	\$26.51

Short Term Fixed Interest	4.5%	4.5%	\$10.14	4.5%	4.4%	\$9.71
Overseas Fixed Interest	6.0%	5.8%	\$13.06	6.0%	5.7%	\$12.41
Cash	4.0%	4.0%	\$9.03	4.0%	4.0%	\$8.67
TOTAL	100.0%	100.0%	\$225.35	100.0%	100.0%	\$218.62

## 2018–19 Equities Standard Investment Strategy

Common Fund	Allocation (%) 2018-19			Allocation (%) 2017-18		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	55.0%	55.2%	\$46.86	55.0%	55.7%	\$45.52
Overseas Shares	45.0%	44.8%	\$38.07	45.0%	44.3%	\$36.16
TOTAL	100.0%	100.0%	\$84.93	100.0%	100.0%	\$81.68

Data for previous years is available at: <https://data.sa.gov.au/data/organization/attorney-general-s-dept>

## Reporting required under any other act or regulation

Act or Regulation	Requirement
<b><i>Public Trustee Act 1995</i></b>	<p>Section 30</p> <p>(3) The Public Trustee must include in the Public Trustee's annual report to the Minister for each financial year—</p> <p>(a) the audited statement of accounts in respect of each common fund for that financial year; and</p> <p>(b) the Auditor-General's report on those accounts; and</p> <p>(c) the following investor information in respect of each common fund:</p> <p>(i) the nature and amount or rate of any fee that the Public Trustee charges in respect of investment in the fund; and</p> <p>(ii) the class of investments in which the fund may be invested; and</p> <p>(iii) the extent (if any) to which a capital sum invested may be reduced to defray losses from investment of the fund; and</p> <p>(iv) the rights of an investor in the fund to withdraw all or part of the person's investment in the fund and the period of notice (if any) that the investor is</p>

Act or Regulation	Requirement
	<p>required to give the Public Trustee in respect of such withdrawal; and</p> <p>(v) the terms governing distribution of income and profit or loss of a capital nature attributable to each investment in the fund.</p>

***Audited Statement of Accounts in respect of each Common Fund:***

Refer to the Annual Financial Statements section of this report.

***The Auditor-General's Report upon the Statements of Account:***

Refer to the Annual Financial Statements section of this report.

***The nature and amount of any fee that the Public Trustee charges in respect of investment in the common funds:***

Management Fee

A management fee is charged against money invested in each common fund at the rate of one-twelfth of 1.025% (inc. of GST) of the value of the fund as at the first business day of each month. Management fees attract GST at a reduced rate as there is an entitlement to claim a reduced input tax credit.

Goods and Services Tax

An investment in the Public Trustee's common funds is classified as an input-taxed financial supply and no GST is charged on such supplies. Investments made in common funds and investor withdrawals from those funds are not subject to GST; nor are entry fees subject to GST.

If a supply is input-taxed, the supplier will not usually receive a tax credit for any GST incurred in connection with the supplier's expenses.

For financial supplies, the supplier is able to claim a tax credit for three quarters of the liability incurred in respect of certain expenses (this is called a reduced input tax credit).

The majority of expenses incurred by the Public Trustee's common funds, including the Public Trustee management fees, are eligible for the reduced input tax credit. The net impact of the GST on expenses incurred by the common funds is therefore approximately 2.5% rather than the full 10% rate.

Indirect Cost Ratios (formerly Management Expense Ratio)

The total funds management costs for common funds and standard investment strategies, as represented by Indirect Cost Ratios (ICR), are shown in the following table.

<b>Strategy</b>	<b>ICR 2018-19</b>	<b>ICR 2017-18</b>
Cash	<b>1.09%</b>	1.09%
Capital Stable	<b>1.29%</b>	1.27%
Balanced	<b>1.46%</b>	1.42%
Growth	<b>1.55%</b>	1.50%
Equities	<b>1.69%</b>	1.60%
<b>Common Fund</b>	<b>ICR 2018-19</b>	<b>ICR 2017-18</b>
Cash	<b>1.09%</b>	1.09%
Long Term Fixed Interest	<b>1.08%</b>	1.08%
Short Term Fixed Interest	<b>1.09%</b>	1.09%
Overseas Fixed Interest	<b>1.30%</b>	1.31%
Australian Shares	<b>1.56%</b>	1.59%
Property	<b>1.73%</b>	1.71%
Overseas Shares	<b>1.85%</b>	1.62%

### Entry Fees

Investors pay the following fees when investing in common funds (note: no fees are charged on entry or exit from the Cash Common Fund):

- i. For beneficiaries of estates administered by the Public Trustee, where there is a change of ownership of the assets and when funds would otherwise be distributed:

Amounts up to \$500 000	0.5%
Additional amounts from \$500 000 to \$2 million	0.375%
Additional amounts from \$2 million to \$5 million	0.25%
Additional amounts above \$5 million	0.0%

- ii. For beneficiaries of estates administered by the Public Trustee where there is no change of ownership of the assets and when funds would otherwise be distributed no entry fee will apply except to additional funds invested, in which case the above scale for the beneficiary investors will apply.

- iii. For all other investors:

Amounts up to \$500 000	1.0%
Additional amounts from \$500 000 to \$2 million	0.75%
Additional amounts from \$2 million to \$5 million	0.5%
Additional amounts above \$5 million	0.0%

The above fees will also apply to distributed income and realised capital gains when they are reinvested in a strategy other than cash.

### Exit Fees

No exit fees are charged.

### Switching Fees

No switching fees will be charged except when moving monies from the cash investment strategy to another investment strategy. The entry fees as disclosed above will then apply.

### Deposits

The Public Trustee does not accept cash deposits. Investments in strategies may be made either by cheque, direct credit or by transfer of funds from an existing estate being administered by the Public Trustee.

### ***The extent to which a capital sum invested may be reduced to defray losses from investment of a common fund:***

Realised or unrealised losses of a capital nature of an investment of a common fund shall be received or borne by investors, in proportion to the capital sums invested in the fund.

***Rights of an investor in a common fund to withdraw all or part of a person's investment in the fund:***

Investors may withdraw all or part of their investment in a fund at any time.

Partial withdrawals must be in amounts of \$1 000 or greater, or the balance of the funds being managed.

**Cash Common Fund**

Proceeds of withdrawals from the Cash Common Fund of amounts less than \$1 million will be available on the next business day (subject to the request being received by 12 noon). Proceeds of withdrawals of amounts greater than \$1 million may not be available for 30 business days.

**Other Investment Strategies**

Proceeds of withdrawals from investment strategies, other than the cash investment strategy fund of amounts less than \$1 million, will not be available until 15 business days after the next exit day (currently the first day of each month). Proceeds of withdrawals of amounts greater than \$1 million from these investment strategies may not be available until 30 business days after the next exit day.

***Terms governing distribution of income and profit or loss of a capital nature attributable to each investment in a common fund:***

The net income and realised capital gains of each fund are calculated to 30 June and 31 December and will be distributed to the investor in July and January of each year, unless the investor has given instructions to reinvest the money.

***Classes of investment in which common funds may invest:***

Section 29 of the *Public Trustee Act 1995* requires the Public Trustee to determine the classes of investments in which a common fund may be invested, and provides for these classes to be varied from time to time. The Act does not define classes of investment.

***Determination of the classes of investment in which the Public Trustee common funds may invest:***

**Cash Common Fund**

The permitted classes of investment are:

- a. Cash
- b. Australian Fixed Interest

Qualifications on these investment classes:

- i. All investments shall be denominated in Australian dollars.
- ii. Fixed rate securities shall not exceed three years to maturity.
- iii. Floating rate securities shall not exceed 10 years to maturity.

The following class of investment is explicitly excluded:

- iv. Derivatives.

### Short Term Fixed Interest Common Fund

The permitted classes of investment are:

- a. Cash
- b. Australian Fixed Interest

Qualifications on these investment classes:

- i. All investments shall be denominated in Australian dollars. The fund's liquidity requirements will be managed by an investment in the Cash Common Fund.
- ii. Fixed rate securities shall not exceed five years to maturity.
- iii. Floating rate securities shall not exceed 10 years to maturity.

Security lending arrangements in relation to authorised investments are permitted.

The following class of investment is explicitly excluded:

- v. Derivatives.

### Long Term Fixed Interest Common Fund

The permitted classes of investment are:

- a. Cash
- b. Australian Fixed Interest
- c. Inflation-linked Securities

Qualifications on these investment classes:

- i. All investments shall be denominated in Australian dollars.
- ii. The fund's liquidity requirements will be met by investment in the Cash Common Fund.
- iii. Fixed rate securities and inflation-linked securities shall not exceed 15 years and 25 years to maturity, respectively.
- iv. Inflation-linked securities shall be restricted to consumer inflation or average weekly earnings-linked securities issued by the Commonwealth Government, State Governments or the Government of the Northern Territory, and securities issued by other parties where the payments to holders of the securities are guaranteed by these governments.
- v. Security lending arrangements in relation to authorised investments are permitted.

The following class of investment is explicitly excluded:

- vi. Derivatives.

### Australian Shares Common Fund

The classes of investment are:

- a. Cash
- b. Australian Equities
- c. Derivatives

Qualifications on these investment classes:

- i. Fund liquidity requirements shall be met by investment in the Cash Common Fund.
- ii. Investments in Australian Equities shall be limited to securities of companies and trusts listed on the Australian Stock Exchange, and to unlisted securities in companies and trusts where the intention is for these securities to be listed within six months of investment.
- iii. Small capitalisation companies, defined as those outside the Top 100 Sector of the Australian Stock Exchange's All Ordinaries Index, shall not exceed 20% of the fund's assets.
- iv. Underwriting is permitted only where the Public Trustee has made a firm subscription to a new issue and the amount underwritten does not exceed the subscription amount.
- v. Underwriting as an investment instrument is prohibited.
- vi. Security lending arrangements in relation to authorised investments is permitted.
- vii. Investments in financial derivatives specifically relating to the investments of the fund are permitted for the purpose of:
  - investment of funds; or
  - hedging or otherwise managing the risk of the fund.

Property Common Fund

The classes of investment are:

- a. Cash
- b. Property
- c. Infrastructure

Qualifications on these investment classes:

- i. Fund liquidity requirements shall be met by investment in the Cash Common Fund.
- ii. Investments in property comprise securities of companies and trusts that are either listed or unlisted.
- iii. Investments in listed and unlisted infrastructure trusts are permitted in the fund.
- iv. Underwriting is permitted only where the Public Trustee has made a firm subscription to a new issue and the amount underwritten does not exceed the subscription amount.
- v. Security lending arrangements in relation to authorised investments are permitted.
- vi. Investments in financial derivatives specifically relating to the investments of the fund are permitted for the purpose of:
  - investment of funds; or
  - hedging or otherwise managing the risk of the fund.

### Overseas Shares Common Fund

The classes of investment are:

- a. Cash
- b. International Equities
- c. Derivatives.

Qualifications on these investment classes:

- i. Fund liquidity requirements shall be met by investment in the Cash Common Fund.
- ii. Cash, where held other than by investment in the Cash Common Fund, shall be held as bank deposits, bank-guaranteed securities or short term sovereign debt instruments.
- iii. Trading in inter-bank or over-the-counter markets shall occur only in those markets which have been approved by the relevant government agencies of the country in which the market is conducted.
- iv. Investments in collective investment schemes, the primary mandates of which are the holdings of smaller companies and emerging markets securities, shall not exceed 25% and 15% of the assets of this common fund, respectively.
- v. Underwriting is permitted only where the Public Trustee (either directly or via an appointed custodian) has made a firm subscription to a new issue and the amount underwritten does not exceed the subscription amount.
- vi. Security lending arrangements in relation to authorised investments are permitted.

### Overseas Fixed Interest Common Fund

The permitted classes of investment are:

- a. Cash
- b. International Fixed Interest and inflation linked securities
- c. Derivatives

Qualifications on these investment classes:

- i. The fund's liquidity requirements shall be met by investment in the Cash Common Fund.
- ii. Cash, where held other than by investment in the Cash Common Fund, shall be held as bank deposits, bank-guaranteed securities or short term sovereign debt instruments.
- iii. All fixed income securities must be rated by recognised rating agencies and at least 90% of the fund shall comprise investment-grade securities.
- iv. Investments in financial derivatives specifically relating to the investments of the fund are permitted for the purpose of:
  - investment of funds; or
  - hedging or otherwise managing the risk of the fund.

For all classes of investment the fund may invest in collective investment schemes operated by organisations approved by the relevant government agencies, provided that the rules of the collective investment schemes restrict the schemes' investments to the permitted classes of investment of the common fund.

## **Appendix: Audited financial statements 2018-19**

The Public Trustee's annual Common Fund Financial Statements for the year ended 30 June 2019 appear on the following pages.

**The Public Trustee**

**Common Fund**

**Financial Statements**

For the year ended 30 June 2019

**The Public Trustee**  
211 Victoria Square Adelaide SA 5000  
GPO Box 1338 Adelaide SA 5001  
[publictrustee@sa.gov.au](mailto:publictrustee@sa.gov.au)

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Cash Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Investment income</b>			
Interest	1.1(d)	15 200	13 999
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	204	(86)
Other income		1	-
<b>Total investment income</b>		<b>15 405</b>	<b>13 913</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	4 487	4 398
Legal and advisory expenses		104	100
Other expenses		21	20
<b>Total expenses</b>		<b>4 612</b>	<b>4 518</b>
<b>Net result from operating activities</b>		<b>10 793</b>	<b>9 395</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		966	824
Distributions to unitholders	4.4	(10 472)	(9 339)
Transfers from / (to) net assets to determine distributable income	1.1(g)	( 204)	86
<b>Total financing costs attributable to unitholders</b>		<b>(9 710)</b>	<b>(8 429)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(1 083)</b>	<b>(966)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Cash Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	5 899	7 489
Advances to estates	1.1(i)	2 969	3 445
Financial assets held at fair value through profit or loss	3.2	493 104	519 400
Other assets	1.1(j)	3 052	3 955
<b>Total assets</b>		<b>505 024</b>	<b>534 289</b>
<b>Liabilities</b>			
Income distribution payable		1 083	966
Funds due to other Common Funds		88 427	126 217
Other liabilities		15	26
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>89 525</b>	<b>127 209</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>415 499</b>	<b>407 080</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>415 499</b>	<b>407 080</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Cash Common Fund**

	Note	2019 Inflows (Outflows) \$'000	2018 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<u>Cash inflows</u>			
Interest received		16 105	13 850
<b>Cash generated from operations</b>		<b>16 105</b>	<b>13 850</b>
<u>Cash outflows</u>			
Payments for expenses		(4 620)	(4 505)
<b>Cash used in operations</b>		<b>(4 620)</b>	<b>(4 505)</b>
<b>Net cash provided by / (used in) operating activities</b>	5.2	<b>11 485</b>	<b>9 345</b>
<b>Cash flows from investing activities</b>			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		372 482	312 981
Net repayments of advances to estates		476	4 832
<b>Cash generated from investing activities</b>		<b>372 958</b>	<b>317 813</b>
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(345 983)	(382 481)
<b>Cash used in investing activities</b>		<b>(345 983)</b>	<b>(382 481)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>26 975</b>	<b>(64 668)</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		8 212	6 243
Net proceeds/payments from applications/redemptions from/(to) other common funds		(37 790)	43 818
<b>Cash generated from financing activities</b>		<b>(29 578)</b>	<b>50 061</b>
<u>Cash outflows</u>			
Distributions paid		(10 472)	(9 339)
<b>Cash used in financing activities</b>		<b>(10 472)</b>	<b>(9 339)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(40 050)</b>	<b>40 722</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1 590)</b>	<b>(14 601)</b>
Cash and cash equivalents at the beginning of the period		7 489	22 090
<b>Cash and cash equivalents at the end of the period</b>	3.1	<b>5 899</b>	<b>7 489</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Short Term Fixed Interest Common Fund**

	<b>Note</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Investment income</b>			
Interest	1.1(d)	1 508	1 368
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	137	(47)
<b>Total investment income</b>		<b>1 645</b>	<b>1 321</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	664	619
Legal and advisory expenses		15	13
<b>Total expenses</b>		<b>679</b>	<b>632</b>
<b>Net result from operating activities</b>		<b>966</b>	<b>689</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		359	559
Distributions to unitholders	4.4	(773)	(936)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(138)	47
<b>Total financing costs attributable to unitholders</b>		<b>(552)</b>	<b>(330)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(414)</b>	<b>(359)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Short Term Fixed Interest Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	30 179	30 582
Financial assets held at fair value through profit or loss	3.2	33 722	29 084
Other assets	1.1(j)	163	201
<b>Total assets</b>		<b>64 064</b>	<b>59 867</b>
<b>Liabilities</b>			
Income distribution payable		414	359
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>414</b>	<b>359</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>63 650</b>	<b>59 508</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>63 650</b>	<b>59 508</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Short Term Fixed Interest Common Fund**

		<b>2019</b>	<b>2018</b>
		<b>Inflows</b>	<b>Inflows</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>	<b>Note</b>		
<u>Cash inflows</u>			
Interest received		1 545	1 473
<b>Cash generated from operations</b>		<b>1 545</b>	<b>1 473</b>
<u>Cash outflows</u>			
Payments for expenses		(679)	(635)
<b>Cash used in operations</b>		<b>(679)</b>	<b>(635)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>5.2</b>	<b>866</b>	<b>838</b>
<b>Cash flows from investing activities</b>			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		12 000	23 500
<b>Cash generated from investing activities</b>		<b>12 000</b>	<b>23 500</b>
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(16 502)	(19 997)
<b>Cash used in investing activities</b>		<b>(16 502)</b>	<b>(19 997)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(4 502)</b>	<b>3 503</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		7 402	7 642
<b>Cash generated from financing activities</b>		<b>7 402</b>	<b>7 642</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 396)	(4 032)
Distributions paid		(773)	(936)
<b>Cash used in financing activities</b>		<b>(4 169)</b>	<b>(4 968)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>3 233</b>	<b>2 674</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>( 403)</b>	<b>7 015</b>
Cash and cash equivalents at the beginning of the period		30 582	23 567
<b>Cash and cash equivalents at the end of the period</b>	<b>3.1</b>	<b>30 179</b>	<b>30 582</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Long Term Fixed Interest Common Fund**

	<b>Note</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Investment income</b>			
Interest	1.1(d)	3 032	2 884
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	928	(654)
<b>Total investment income</b>		<b>3 960</b>	<b>2 230</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	1 066	997
Legal and advisory expenses		25	21
<b>Total expenses</b>		<b>1 091</b>	<b>1 018</b>
<b>Net result from operating activities</b>		<b>2 869</b>	<b>1 212</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		902	1 170
Distributions to unitholders	4.4	(1 846)	(2 134)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(928)	654
<b>Total financing costs attributable to unitholders</b>		<b>(1 872)</b>	<b>(310)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(997)</b>	<b>(902)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Long Term Fixed Interest Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	23 327	45 230
Financial assets held at fair value through profit or loss	3.2	81 120	51 260
Other assets	1.1(j)	491	441
<b>Total assets</b>		<b>104 938</b>	<b>96 931</b>
<b>Liabilities</b>			
Income distribution payable		997	902
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>997</b>	<b>902</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>103 941</b>	<b>96 029</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>103 941</b>	<b>96 029</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Long Term Fixed Interest Common Fund**

	Note	2019 Inflows (Outflows) \$'000	2018 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<u>Cash inflows</u>			
Interest received		3 050	3 117
<b>Cash generated from operations</b>		<b>3 050</b>	<b>3 117</b>
<u>Cash outflows</u>			
Payments for expenses		(1 091)	(1 020)
<b>Cash used in operations</b>		<b>(1 091)</b>	<b>(1 020)</b>
<b>Net cash provided by / (used in) operating activities</b>	5.2	<b>1 959</b>	<b>2 097</b>
<b>Cash flows from investing activities</b>			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	23 997
<b>Cash generated from investing activities</b>		<b>-</b>	<b>23 997</b>
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(29 000)	(13 000)
<b>Cash used in investing activities</b>		<b>(29 000)</b>	<b>(13 000)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(29 000)</b>	<b>10 997</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		13 458	12 079
<b>Cash generated from financing activities</b>		<b>13 458</b>	<b>12 079</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(6 474)	(7 471)
Distributions paid		(1 846)	(2 134)
<b>Cash used in financing activities</b>		<b>(8 320)</b>	<b>(9 605)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>5 138</b>	<b>2 474</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(21 903)</b>	<b>15 568</b>
Cash and cash equivalents at the beginning of the period		45 230	29 662
<b>Cash and cash equivalents at the end of the period</b>	3.1	<b>23 327</b>	<b>45 230</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Overseas Fixed Interest Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Investment income</b>			
Trust distributions		1 262	976
Interest	1.1(d)	368	289
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	638	(181)
Other income		53	54
<b>Total investment income</b>		<b>2 321</b>	<b>1 138</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	607	569
Legal and advisory expenses		14	12
<b>Total expenses</b>		<b>621</b>	<b>581</b>
<b>Net result from operating activities</b>		<b>1 700</b>	<b>557</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		384	2 400
Distributions to unitholders	4.4	(634)	(2 754)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(638)	181
<b>Total financing costs attributable to unitholders</b>		<b>(888)</b>	<b>(173)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(812)</b>	<b>(384)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Overseas Fixed Interest Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	6 110	17 155
Financial assets held at fair value through profit or loss	3.2	53 152	37 462
Other assets	1.1(j)	741	331
<b>Total assets</b>		<b>60 003</b>	<b>54 948</b>
<b>Liabilities</b>			
Income distribution payable		812	384
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>812</b>	<b>384</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>59 191</b>	<b>54 564</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>59 191</b>	<b>54 564</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Overseas Fixed Interest Common Fund**

		2019 Inflows (Outflows) \$'000	2018 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<u>Cash inflows</u>			
Trust distributions received		846	2 252
Interest received		374	283
<b>Cash generated from operations</b>		<b>1 220</b>	<b>2 535</b>
<u>Cash outflows</u>			
Payments for expenses		(621)	(582)
<b>Cash used in operations</b>		<b>(621)</b>	<b>(582)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>5.2</b>	<b>599</b>	<b>1 953</b>
<b>Cash flows from investing activities</b>			
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(15 000)	-
<b>Cash used in investing activities</b>		<b>(15 000)</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(15 000)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		7 544	6 957
<b>Cash generated from financing activities</b>		<b>7 544</b>	<b>6 957</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 554)	(4 153)
Distributions paid		(634)	(2 754)
<b>Cash used in financing activities</b>		<b>(4 188)</b>	<b>(6 907)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>3 356</b>	<b>50</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(11 045)</b>	<b>2 003</b>
Cash and cash equivalents at the beginning of the period		17 155	15 152
<b>Cash and cash equivalents at the end of the period</b>	<b>3.1</b>	<b>6 110</b>	<b>17 155</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

**Australian Shares Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Investment income</b>			
Trust distributions		11 592	20 643
Interest	1.1(d)	298	139
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(8 671)	8 154
Other income		563	653
<b>Total investment income</b>		<b>3 782</b>	<b>29 589</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	1 784	1 769
Legal and advisory expenses		42	38
<b>Total expenses</b>		<b>1 826</b>	<b>1 807</b>
<b>Net result from operating activities</b>		<b>1 956</b>	<b>27 782</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		18 315	12 712
Distributions to unitholders	4.4	(19 853)	(14 200)
Transfers from / (to) net assets to determine distributable income	1.1(g)	8 671	(7 979)
<b>Total financing costs attributable to unitholders</b>		<b>7 133</b>	<b>(9 467)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(9 089)</b>	<b>(18 315)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Australian Shares Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	13 212	14 285
Financial assets held at fair value through profit or loss	3.2	160 397	160 505
Other assets	1.1(j)	9 362	14 929
<b>Total assets</b>		<u><b>182 971</b></u>	<u><b>189 719</b></u>
<b>Liabilities</b>			
Income distribution payable		<u>9 089</u>	<u>18 315</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>9 089</b></u>	<u><b>18 315</b></u>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<u><b>173 882</b></u>	<u><b>171 404</b></u>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<u><b>173 882</b></u>	<u><b>171 404</b></u>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Australian Shares Common Fund**

		<b>2019</b>	<b>2018</b>
		<b>Inflows</b>	<b>Inflows</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>	<b>Note</b>		
<u>Cash inflows</u>			
Trust distributions received		17 162	18 153
Interest received		295	127
<b>Cash generated from operations</b>		<b>17 457</b>	<b>18 280</b>
<u>Cash outflows</u>			
Payments for expenses		(1 826)	(1 632)
<b>Cash used in operations</b>		<b>(1 826)</b>	<b>(1 632)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>5.2</b>	<b>15 631</b>	<b>16 648</b>
<b>Cash flows from investing activities</b>			
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(8 000)	-
<b>Cash used in investing activities</b>		<b>(8 000)</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(8 000)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		22 682	18 845
<b>Cash generated from financing activities</b>		<b>22 682</b>	<b>18 845</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(11 533)	(12 369)
Distributions paid		(19 853)	(14 200)
<b>Cash used in financing activities</b>		<b>(31 386)</b>	<b>(26 569)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(8 704)</b>	<b>(7 724)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1 073)</b>	<b>8 924</b>
Cash and cash equivalents at the beginning of the period		14 285	5 361
<b>Cash and cash equivalents at the end of the period</b>	<b>3.1</b>	<b>13 212</b>	<b>14 285</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Overseas Shares Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Investment income</b>			
Trust distributions		3 445	9 544
Interest	1.1(d)	119	129
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	8 471	3 927
Other income		392	347
<b>Total investment income</b>		<b>12 427</b>	<b>13 947</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	1 471	1 514
Legal and advisory expenses		35	33
<b>Total expenses</b>		<b>1 506</b>	<b>1 547</b>
<b>Net result from operating activities</b>		<b>10 921</b>	<b>12 400</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		16 152	10 649
Distributions to unitholders	4.4	(27 154)	(10 709)
Transfers from / (to) net assets to determine distributable income	1.1(g)	3 905	3 812
<b>Total financing costs attributable to unitholders</b>		<b>(7 097)</b>	<b>3 752</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(3 824)</b>	<b>(16 152)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as at 30 June 2019*

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**Overseas Shares Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	5 390	10 534
Financial assets held at fair value through profit or loss	3.2	138 038	134 203
Other assets	1.1(j)	3 186	9 004
<b>Total assets</b>		<b>146 614</b>	<b>153 741</b>
<b>Liabilities</b>			
Income distribution payable		3 824	16 152
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>3 824</b>	<b>16 152</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>142 790</b>	<b>137 589</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>142 790</b>	<b>137 589</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Overseas Shares Common Fund**

	Note	2019 Inflows (Outflows) \$'000	2018 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<u>Cash inflows</u>			
Trust distributions received		9 257	11 893
Interest received		125	121
<b>Cash generated from operations</b>		<b>9 382</b>	<b>12 014</b>
<u>Cash outflows</u>			
Payments for expenses		(1 506)	(1 546)
<b>Cash used in operations</b>		<b>(1 506)</b>	<b>(1 546)</b>
<b>Net cash provided by / (used in) operating activities</b>	5.2	<b>7 876</b>	<b>10 468</b>
<b>Cash flows from investing activities</b>			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		5 029	33 716
<b>Cash generated from investing activities</b>		<b>5 029</b>	<b>33 716</b>
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		-	(33 000)
<b>Cash used in investing activities</b>		<b>-</b>	<b>(33 000)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>5 029</b>	<b>716</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		18 526	16 065
<b>Cash generated from financing activities</b>		<b>18 526</b>	<b>16 065</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(9 421)	(10 624)
Distributions paid		(27 154)	(10 709)
<b>Cash used in financing activities</b>		<b>(36 575)</b>	<b>(21 333)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(18 049)</b>	<b>(5 268)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(5 144)</b>	<b>5 916</b>
Cash and cash equivalents at the beginning of the period		10 534	4 618
<b>Cash and cash equivalents at the end of the period</b>	3.1	<b>5 390</b>	<b>10 534</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

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**Property Common Fund**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Investment income</b>			
Trust distributions		3 661	4 742
Interest	1.1(d)	172	108
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	5 625	4 087
Other income		133	130
<b>Total investment income</b>		<b>9 591</b>	<b>9 067</b>
<b>Expenses</b>			
The Public Trustee management fees	1.1(e), (m)	1 147	1 046
Legal and advisory expenses		105	59
<b>Total expenses</b>		<b>1 252</b>	<b>1 105</b>
<b>Net result from operating activities</b>		<b>8 339</b>	<b>7 962</b>
<b>Financing costs attributable to unitholders</b>			
Undistributed income brought forward		3 303	9 158
Distributions to unitholders	4.4	(3 885)	(9 734)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(5 609)	(4 083)
<b>Total financing costs attributable to unitholders</b>		<b>(6 191)</b>	<b>(4 659)</b>
<b>(Increase) / decrease in net assets attributable to unitholders</b>		<b>(2 148)</b>	<b>(3 303)</b>
<b>Total comprehensive result</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Financial Position**  
*as At 30 June 2019*

---

**Property Common Fund**

	<b>Note</b>	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	3.1	10 209	8 431
Financial assets held at fair value through profit or loss	3.2	105 795	94 905
Other assets	1.1(j)	2 088	3 241
<b>Total assets</b>		<b>118 092</b>	<b>106 577</b>
<b>Liabilities</b>			
Income distribution payable		2 148	3 303
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>2 148</b>	<b>3 303</b>
<b>Net assets attributable to unitholders - Liability</b>	4.2	<b>115 944</b>	<b>103 274</b>
<b>Represented by:</b>			
Fair value of outstanding units based on net asset value		<b>115 944</b>	<b>103 274</b>

The accompanying notes form part of these financial statements.

**The Public Trustee**  
**COMMON FUNDS**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

**Property Common Fund**

		<b>2019</b>	<b>2018</b>
		<b>Inflows</b>	<b>Inflows</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>	<b>Note</b>		
<u>Cash inflows</u>			
Trust distributions received		5 054	10 529
Interest received		168	100
<b>Cash generated from operations</b>		<b>5 222</b>	<b>10 629</b>
<u>Cash outflows</u>			
Payments for expenses		(1 253)	(973)
<b>Cash used in operations</b>		<b>(1 253)</b>	<b>(973)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>5.2</b>	<b>3 969</b>	<b>9 656</b>
<b>Cash flows from investing activities</b>			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		88	39
<b>Cash generated from investing activities</b>		<b>88</b>	<b>39</b>
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(5 456)	-
<b>Cash used in investing activities</b>		<b>(5 456)</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(5 368)</b>	<b>39</b>
<b>Cash flows from financing activities</b>			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		14 437	12 295
<b>Cash generated from financing activities</b>		<b>14 437</b>	<b>12 295</b>
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(7 375)	(7 865)
Distributions paid		(3 885)	(9 734)
<b>Cash used in financing activities</b>		<b>(11 260)</b>	<b>(17 599)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>3 177</b>	<b>(5 304)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 778</b>	<b>4 391</b>
Cash and cash equivalents at the beginning of the period		8 431	4 040
<b>Cash and cash equivalents at the end of the period</b>	<b>3.1</b>	<b>10 209</b>	<b>8 431</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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## **1. About Public Trustee COMMON FUNDS**

The Common Funds have been established pursuant to the *Public Trustee Act 1995* or its predecessor legislation. The following Common Funds were active for the whole of the current and comparative reporting periods:

- Cash Common Fund;
- Short Term Fixed Interest Common Fund;
- Long Term Fixed Interest Common Fund;
- Australian Shares Common Fund;
- Overseas Fixed Interest Common Fund;
- Overseas Shares Common Fund; and
- Property Common Fund.

The Inflation Linked Investments Common Fund was dormant throughout 2018-19 (and 2017-18), has nil assets and liabilities and has not been reported.

Investment in Common Funds (with the exception of direct investment in the Cash Common Fund) is by way of notional unit holdings in the Common Funds. Unitholders may invest in the Cash Common Fund or alternately invest in a selection of Common Funds in proportions determined by one or more of the following standard investment strategies provided by the Public Trustee:

- Capital Stable
- Growth
- Balanced
- Equities

Management of Common Fund investments is undertaken by the Public Trustee. An Investment Advisory Committee consisting of an independent chair, senior Public Trustee personnel, with attendance by external investment advisors, assists the Public Trustee in ensuring a sound and prudent system for investing client funds.

Australian and International Equity investments, Property investments together with Overseas Fixed Interest investments are made using Australian domiciled pooled funds.

### **1.1. Basis of preparation**

#### **a) Statement of Compliance**

The Public Trustee Common Funds financial statements are general purpose financial statements and have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

#### **b) Basis of Preparation**

The Public Trustee Common Funds financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The statements have also been prepared on the basis that all funds are distributable to unitholders resulting in zero residual equity. On this basis, the Statement of Changes in Equity has not been included for reporting purposes as the changes in equity are zero.

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 twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About Public Trustee COMMON FUNDS (continued)**

**c) Comparative Information**

The presentation and classification of items in the financial statements are consistent with prior periods, except where specific accounting standards and / or accounting policy statements have required a change.

**d) Investment income**

Interest income and expenses are recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 8.1.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest 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 instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Trust distributions are recognised when the right to receive payment is established.

**e) Expenses**

All expenses, including management fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

Management fees are charged against each Common Fund at a rate of one-twelfth of one percent of the value of the fund as at the first business day of each month as authorised by the *Public Trustee Act 1995*.

**f) Income tax**

Under current legislation, the Common Funds are not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

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

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

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

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Comprehensive Income.

**g) Transfers (to) / from net assets to determine distributable income**

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, and net capital losses. Net capital gains on the realisation of any financial instruments and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as financing costs.

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About Public Trustee COMMON FUNDS (continued)**

**h) Foreign currency translation**

*i) Functional and presentation currency*

Items included in the Common Funds' 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 Common Funds compete for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

*ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The Funds do not isolate that portion of gains or losses on financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

**i) Advances to estates**

The Public Trustee may, pursuant to section 25 of the *Public Trustee Act 1995*, advance and pay money on account of an estate as authorised or requested (whether to beneficiaries or creditors), for costs or expenses incurred in administering the estate or for any other purpose. No greater amount may be advanced and paid than the value of the property so vested in or under the control of the Public Trustee.

The sums so advanced, with interest at a rate to be fixed by the Public Trustee from time to time in respect of all such sums, are a first charge on all property vested in or under the control of the Public Trustee on account of the estate.

**j) Other assets**

Other assets may include amounts for dividends, interest and trust distributions. 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 using the effective interest rate method. Amounts are generally received within 30 days of being recorded as receivable.

**k) Other liabilities**

Other liabilities and accrued expenses owing by the Funds which are unpaid as at balance date.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2019 under the Trust Deed.

**l) Applications and redemptions**

Applications received for units in the Common Funds 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.

**m) Goods and services tax (GST)**

The Common Funds are registered entities under the Goods and Services Tax (GST) legislation. Investments in the Public Trustee Common Funds are classified as input taxed financial supplies and no GST is charged on such supplies.

The GST incurred on the costs of various services provided to the Common Funds by third parties such as management fees have been passed onto the Common Funds. The Common Funds qualify for Reduced Input Tax Credits (RITC) at a

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About Public Trustee COMMON FUNDS (continued)**

rate of 75% hence 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 other assets in the Statement of Financial Position.

**n) Use of estimates**

The Common Funds financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities within the 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.

**o) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$000).

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About Public Trustee COMMON FUNDS (continued)**

**1.2. Significant transactions with government related entities**

The Public Trustee is a Government Business Enterprise and is wholly owned and controlled by the SA Government. The Public Trustee Common Funds are wholly owned by unitholders who have invested in the funds. The Public Trustee Corporate provides Key Management Personnel (KMP) to the Common Funds and on this basis the Public Trustee Corporate is a related party together with all public authorities that are controlled and consolidated into the whole of government financial statements. Related parties also include all Common Fund KMP and their close family members.

*Significant transactions with government related entities*

An additional \$6.3 million was invested during 2018-19 by the Residential Tenancies and the Retail Shop Leases Funds by the Commissioner for Consumer Affairs (2018: \$19.5 million by the Retail Shop Leases, Second Hand Motor Vehicle, Residential Tenancies and Agents Indemnity Funds). These funds were invested across all Common Funds at a percentage allocation in accordance with the defined Standard Investment Strategies.

*Collectively, but not individually significant transactions with government related entities*

Management fee expenses paid to the Public Trustee corporate for the reporting period were \$11.2 million (2018: \$10.9 million).

**2. Board, Committees and employees**

**2.1. Key management personnel**

Key management personnel of the Public Trustee Common Funds include the Attorney-General, the Public Trustee Executive and the Manager, Investment Services. The salary and other benefits the Attorney-General receives; the Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*. The compensation of other key management personnel is paid from the Public Trustee corporate account.

For the year ended 30 June 2019, there were no material transactions or balances to disclose with key management personnel or other related parties (2018: Nil).

**The Public Trustee**  
**COMMON FUNDS**  
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**3. Financial Assets**

**3.1. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Common Fund</b>		
Cash	899	2 989
Money market instruments	5 000	4 500
	<b>5 899</b>	<b>7 489</b>
<b>Short Term Fixed Interest Common Fund</b>		
Deposits in Cash Common Fund	30 179	30 582
	<b>30 179</b>	<b>30 582</b>
<b>Long Term Fixed Interest Common Fund</b>		
Deposits in Cash Common Fund	23 327	45 230
	<b>23 327</b>	<b>45 230</b>
<b>Overseas Fixed Interest Common Fund</b>		
Deposits in Cash Common Fund	6 110	17 155
	<b>6 110</b>	<b>17 155</b>
<b>Australian Shares Common Fund</b>		
Deposits in Cash Common Fund	13 212	14 285
	<b>13 212</b>	<b>14 285</b>
<b>Overseas Shares Common Fund</b>		
Deposits in Cash Common Fund	5 390	10 534
	<b>5 390</b>	<b>10 534</b>
<b>Property Common Fund</b>		
Deposits in Cash Common Fund	10 209	8 431
	<b>10 209</b>	<b>8 431</b>
<b>Total cash and cash equivalents</b>	<b>94 326</b>	<b>133 706</b>

**Cash at bank and on hand**

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 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, where applicable, are shown within liabilities on the Statement of Financial Position.

The cash deposit is held with a financial institution and is interest bearing at 1.45% (2018: 1.70%) per annum as at 30 June 2019 available at call. During 2018-19, the Public Trustee's customer banking operations were provided by the Commonwealth Bank of Australia (CBA) as part of the whole of Government banking contract. The CBA cash rate is the Reserve Bank target rate plus 20 basis points. The Public Trustee also continued to manage a Westpac Banking Corporation (WBC) account during 2018-19 where a small number of deposits continue to be received on behalf of customers.

**Deposits in Cash Common Fund**

Deposits in the Cash Common Fund act as operating cash accounts for the other Common Funds, and are interest bearing. These investments are available at call.

**The Public Trustee**  
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**3. Financial Assets (continued)**

**3.2. Financial assets held at fair value through profit or loss**

	Cash		Short Term Fixed Interest	
	2019 Fair Value \$'000	2018 Fair Value \$'000	2019 Fair Value \$'000	2018 Fair Value \$'000
<b>Designated as at fair value through profit or loss</b>				
Fixed interest securities <sup>1</sup>	493 104	519 400	33 722	29 084
Unlisted unit trusts	-	-	-	-
<b>Total designated as at fair value through profit or loss</b>	<b>493 104</b>	<b>519 400</b>	<b>33 722</b>	<b>29 084</b>
	Long Term Fixed Interest		Overseas Fixed Interest	
	2019 Fair Value \$'000	2018 Fair Value \$'000	2019 Fair Value \$'000	2018 Fair Value \$'000
<b>Designated as at fair value through profit or loss</b>				
Fixed interest securities	81 120	51 260	-	-
Unlisted unit trusts	-	-	53 152	37 462
<b>Total designated as at fair value through profit or loss</b>	<b>81 120</b>	<b>51 260</b>	<b>53 152</b>	<b>37 462</b>
	Australian Shares		Overseas Shares	
	2019 Fair Value \$'000	2018 Fair Value \$'000	2019 Fair Value \$'000	2018 Fair Value \$'000
<b>Designated as at fair value through profit or loss</b>				
Fixed interest securities	-	-	-	-
Unlisted unit trusts	160 397	160 505	138 038	134 203
<b>Total designated as at fair value through profit or loss</b>	<b>160 397</b>	<b>160 505</b>	<b>138 038</b>	<b>134 203</b>
	Property		Total	
	2019 Fair Value \$'000	2018 Fair Value \$'000	2019 Fair Value \$'000	2018 Fair Value \$'000
<b>Designated as at fair value through profit or loss</b>				
Fixed interest securities	-	-	607 946	599 744
Unlisted unit trusts	105 795	94 905	457 382	427 075
<b>Total designated as at fair value through profit or loss</b>	<b>105 795</b>	<b>94 905</b>	<b>1 065 328</b>	<b>1 026 819</b>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 8.2.

<sup>1</sup> Includes other common funds deposits in the Cash Common Fund of \$88.4 million (2018: \$126.2 million).

*Fixed interest securities*

These investments bear floating interest rates between 2.11% and 5.30% (2018: 2.52% and 5.30%). These investments are available at call.

**The Public Trustee**  
**COMMON FUNDS**  
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**4. Liabilities**

**4.1. Net assets attributable to unitholders**

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 redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be returned into the Common Funds at any time for cash equal to a proportionate share of the Common Funds' net asset values. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Statement of Financial Position date if unitholders exercise their right to return the units back to the Common Funds. For financial reporting purposes and compliance with Australian Accounting Standards assets are recorded at net asset value.

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

**Common Fund unit prices**

	2019		2018	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Short Term Fixed Interest	\$ 1.0077	\$ 1.0067	\$ 1.0059	\$ 1.0039
Long Term Fixed Interest	\$ 1.0603	\$ 1.0593	\$ 1.0512	\$ 1.0490
Overseas Fixed Interest	\$ 0.8711	\$ 0.8702	\$ 0.8617	\$ 0.8608
Australian Shares	\$ 1.7686	\$ 1.7598	\$ 1.8610	\$ 1.8517
Overseas Shares	\$ 1.1990	\$ 1.1940	\$ 1.2325	\$ 1.2283
Property	\$ 1.1377	\$ 1.1352	\$ 1.0815	\$ 1.0791

**Movements in units**

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2019	2018	2019	2018	2019	2018
	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's
<b>Opening balance</b>	59 215	55 638	91 444	87 088	63 371	60 141
Applications	7 358	7 589	12 798	11 451	8 720	8 028
Redemptions	(3 380)	(4 012)	(6 162)	(7 095)	(4 109)	(4 798)
<b>Closing balance</b>	<b>63 193</b>	<b>59 215</b>	<b>98 080</b>	<b>91 444</b>	<b>67 982</b>	<b>63 371</b>

	Australian Shares		Overseas Shares		Property	
	2019	2018	2019	2018	2019	2018
	No. of units 000's					
<b>Opening balance</b>	92 349	88 975	111 780	107 684	95 103	91 000
Applications	12 687	10 031	15 404	12 168	13 093	11 508
Redemptions	(6 451)	(6 657)	(7 820)	(8 072)	(6 704)	(7 405)
<b>Closing balance</b>	<b>98 585</b>	<b>92 349</b>	<b>119 364</b>	<b>111 780</b>	<b>101 492</b>	<b>95 103</b>

**The Public Trustee**  
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**4. Liabilities (continued)**

**4.2. Movements in funds employed**

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Opening balance</b>	407 080	400 917	59 508	55 945	96 029	92 075	54 564	51 941
Applications	5 001	5 190	7 402	7 642	13 458	12 079	7 544	6 957
Redemptions	(2 355)	(2 745)	(3 396)	(4 032)	(6 474)	(7 471)	(3 554)	(4 153)
Transfers from/(to) net assets to determine distributable income <sup>1</sup>	5 773	3 718	136	(47)	928	(654)	637	(181)
<b>Closing balance</b>	<b>415 499</b>	<b>407 080</b>	<b>63 650</b>	<b>59 508</b>	<b>103 941</b>	<b>96 029</b>	<b>59 191</b>	<b>54 564</b>

	Australian Shares		Overseas Shares		Property		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Opening balance</b>	171 404	156 774	137 589	135 960	103 274	94 761	1 029 448	988 373
Applications	22 682	18 845	18 526	16 065	14 437	12 295	89 050	79 073
Redemptions	(11 533)	(12 369)	(9 421)	(10 624)	(7 375)	(7 865)	(44 108)	(49 259)
Transfers from/(to) net assets to determine distributable income <sup>1</sup>	(8 671)	7 979	(3 904)	(3 812)	5 608	4 083	507	11 086
Reallocation of capital distributions relating to prior year	-	175	-	-	-	-	-	175
<b>Closing balance</b>	<b>173 882</b>	<b>171 404</b>	<b>142 790</b>	<b>137 589</b>	<b>115 944</b>	<b>103 274</b>	<b>1 074 897</b>	<b>1 029 448</b>

<sup>1</sup> The Cash Common Fund is the primary working account for trust administration operations. Movements in net assets attributable to unitholders are typically high volume, low value transactions.

**The Public Trustee**  
**COMMON FUNDS**  
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**4. Liabilities (continued)**

**4.3. Net realised and unrealised gains / (losses) on financial assets**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Common Fund</b>		
Net Unrealised Gains / (Losses)	238	2
Net Realised Gains / (Losses)	(34)	(88)
<b>Total</b>	<b>204</b>	<b>(86)</b>
<b>Short Term Fixed Interest Common Fund</b>		
Net Unrealised Gains / (Losses)	137	3
Net Realised Gains / (Losses)	-	(50)
<b>Total</b>	<b>137</b>	<b>(47)</b>
<b>Long Term Fixed Interest Common Fund</b>		
Net Unrealised Gains / (Losses)	928	(524)
Net Realised Gains / (Losses)	-	(130)
<b>Total</b>	<b>928</b>	<b>(654)</b>
<b>Overseas Fixed Interest Common Fund</b>		
Net Unrealised Gains / (Losses)	638	(181)
<b>Total</b>	<b>638</b>	<b>(181)</b>
<b>Australian Shares Common Fund</b>		
Net Unrealised Gains / (Losses)	(8 671)	8 154
<b>Total</b>	<b>(8 671)</b>	<b>8 154</b>
<b>Overseas Shares Common Fund</b>		
Net Unrealised Gains / (Losses)	8 411	1 144
Net Realised Gains / (Losses)	60	2 783
<b>Total</b>	<b>8 471</b>	<b>3 927</b>
<b>Property Common Fund</b>		
Net Unrealised Gains / (Losses)	5 620	4 086
Net Realised Gains / (Losses)	5	1
<b>Total</b>	<b>5 625</b>	<b>4 087</b>
<b>Total net (loss) / gain on financial assets held at fair value through profit or loss</b>	<b>7 332</b>	<b>15 200</b>

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
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**4. Liabilities (continued)**

**4.4. Distributions to unitholders**

The Public Trustee distributes Common Fund income and capital based on the financial results at 31 December and 30 June. The Public Trustee recognises Common Fund distributions to client accounts on the date they are paid by the Public Trustee.

For the Cash Common Fund, the provision for distributions represents both the monthly interest distributed to client accounts and the bi-annual distributions calculated at 31 December and 30 June.

The items above are accrued as appropriate in the financial statements under Australian Accounting Standards and the distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The distributions, including cents per unit (CPU), were paid / payable as follows:

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
<b>Cash Common Fund</b>				
Distributions to unitholders	10 472	0.0254	9 339	0.0232
Undistributed income brought forward	(966)	-	(824)	-
Distributions payable	1 083	-	966	-
<b>Total Distributions to unitholders</b>	<b>10 589</b>		<b>9 481</b>	
<b>Short Term Fixed Interest Common Fund</b>				
Distributions to unitholders	773	0.0122	936	0.0158
Undistributable income brought forward	(359)	-	(559)	-
Distributions payable	414	-	359	-
<b>Total Distributions to unitholders</b>	<b>828</b>		<b>736</b>	
<b>Long Term Fixed Interest Common Fund</b>				
Distributions to unitholders	1 846	0.0188	2 134	0.0233
Undistributable income brought forward	(902)	-	(1 170)	-
Distributions payable	997	-	902	-
<b>Total Distributions to unitholders</b>	<b>1 941</b>		<b>1 866</b>	
<b>Overseas Fixed Interest Common Fund</b>				
Distributions to unitholders	634	0.0093	2 754	0.0435
Undistributable income brought forward	(384)	-	(2 400)	-
Distributions payable	812	-	384	-
<b>Total Distributions to unitholders</b>	<b>1 062</b>		<b>738</b>	

**The Public Trustee**  
**COMMON FUNDS**  
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**4. Liabilities (continued)**

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
<b>Australian Shares Common Fund</b>				
Distributions to unitholders	19 853	0.2014	14 200	0.1538
Undistributable income brought forward	(18 315)	-	(12 712)	-
Distributions payable	9 089	-	18 315	-
<b>Total Distributions to unitholders</b>	<b>10 627</b>		<b>19 803</b>	

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
<b>Overseas Shares Common Fund</b>				
Distributions to unitholders	27 154	0.2275	10 709	0.0958
Undistributable income brought forward	(16 152)	-	(10 649)	-
Distributions payable	3 824	-	16 152	-
<b>Total Distributions to unitholders</b>	<b>14 826</b>		<b>16 212</b>	

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
<b>Property Common Fund</b>				
Distributions to unitholders	3 885	0.0383	9 734	0.1024
Undistributable income brought forward	(3 303)	-	(9 158)	-
Distributions payable	2 148	-	3 303	-
<b>Total Distributions to unitholders</b>	<b>2 730</b>		<b>3 879</b>	

In accordance with the *Public Trustee Act 1995*, investors received a proportionate distribution of net income depending on the number of days units were held.

Included in the distributions payable at 30 June 2019 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2019:

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
<b>Common Fund Capital Distributions Payable</b>				
Long Term Fixed Interest	-	-	-	-
Australian Shares	7 283	0.0739	17 948	0.1943
Overseas Shares	3 387	0.0284	15 438	0.1381
Property	1 369	0.0135	1 545	0.0162
	<b>12 039</b>		<b>34 931</b>	

**The Public Trustee**  
**COMMON FUNDS**  
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**5. Other disclosures**

**5.1. Derivative financial instruments**

The Public Trustee did not invest in derivative investments for the year ended 30 June 2019 (2018: \$Nil).

**5.2. Cash flow**

Payments and receipts relating to the purchase and sale of investment securities are classified as investing cash flows because the core activity of the Public Trustee is the administration of Trustee Services.

**Cash flow reconciliation**

<b>Cash Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	5 899	7 489
Balance as per the Statement of Cash Flows	5 899	7 489
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	10 793	9 395
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(204)	86
Amortisation of discounts and premiums	-	51
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	903	(194)
Increase / (Decrease) in payables and other liabilities	(11)	1
Adjustment for balance day transactions	4	6
<b>Net cash provided by operating activities</b>	<b>11 485</b>	<b>9 345</b>
<b>Short Term Fixed Interest Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	30 179	30 582
Balance as per the Statement of Cash Flows	30 179	30 582
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	966	689
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(137)	47
Amortisation of discounts and premiums	(1)	16
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	38	87
Increase / (Decrease) in payables and other liabilities	-	(1)
<b>Net cash provided by operating activities</b>	<b>866</b>	<b>838</b>

**The Public Trustee**  
**COMMON FUNDS**  
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**5. Other disclosures (continued)**

<b>Long Term Fixed Interest Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	23 327	45 230
Balance as per the Statement of Cash Flows	23 327	45 230
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	2 869	1 212
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(928)	654
Amortisation of discounts and premiums	68	115
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	(50)	116
Increase / (Decrease) in payables and other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>1 959</b>	<b>2 097</b>
<b>Overseas Fixed Interest Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	6 110	17 155
Balance as per the Statement of Cash Flows	6 110	17 155
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	1 700	557
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(638)	181
Amortisation of discounts and premiums	(53)	(55)
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	(410)	1 270
Increase / (Decrease) in payables and other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>599</b>	<b>1 953</b>
<b>Australian Shares Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	13 212	14 285
Balance as per the Statement of Cash Flows	13 212	14 285
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	1 956	27 782
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	8 671	(8 154)
Income reinvested and not received in cash	(563)	(653)
Realignment of capital distribution relating to prior year	-	175
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	5 567	(2 502)
Increase / (Decrease) in payables and other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>15 631</b>	<b>16 648</b>

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**COMMON FUNDS**  
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**5. Other disclosures (continued)**

<b>Overseas Shares Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	5 390	10 534
Balance as per the Statement of Cash Flows	5 390	10 534
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	10 921	12 400
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(8 471)	(3 927)
Income reinvested and not received in cash	(392)	(347)
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	5 818	2 342
Increase / (Decrease) in payables and other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>7 876</b>	<b>10 468</b>
<b>Property Common Fund</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	10 209	8 431
Balance as per the Statement of Cash Flows	10 209	8 431
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net operating result	8 339	7 962
<b>Add / (less) non cash items:</b>		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(5 625)	(4 087)
Income reinvested and not received in cash	(133)	(130)
Realignment of capital distribution relating to prior year	235	133
<b>Movements in assets / liabilities:</b>		
Decrease / (Increase) in receivables and other assets	1 153	5 778
Increase / (Decrease) in payables and other liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>3 969</b>	<b>9 656</b>

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## **6. Changes in accounting policy**

### **6.1. Treasurer's Instructions (Accounting Policy Statements)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are the removal of the additional requirement to report transactions with the SA Government.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 7.1.

### **6.2. AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* ("AASB 9") replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. AASB 9 applies to reporting periods commencing after 1 January 2018. The application date for the Public Trustee was 1 July 2018.

The adoption of AASB 9 did not result in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Public Trustee will continue to recognise investments as financial assets measured at fair value through profit or loss and all other assets and liabilities at amortised cost. The Common Funds do not apply hedge accounting. AASB 9 includes a new impairment model, however, as the investments are held at fair value through profit or loss, the change in impairment rules will not impact the Common Funds.

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## **7. Outlook**

### **7.1. Impact of standards and statements not yet effective**

The Public Trustee has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

*Treasurer's Instructions (Accounting Policy Statements) 2019* issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 6.1. There are no Accounting Policy Statements that are not yet effective.

Australian Accounting Standards Board Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Public Trustee for the period ending 30 June 2019. The Public Trustee has assessed the impact of the new and changed standards and interpretations and changes to Accounting Policy Statements issued by the Treasurer and considers there will be no impact on the accounting policies or the financial statements except as outlined below.

AASB 15 *Revenue from Contracts with Customers* ("AASB 15"), applies to reporting periods commencing after 1 January 2019. The application date for the Public Trustee is 1 July 2019. AASB 15 supersedes the revenue recognition guidance in AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates. The core principle in AASB 15 is that an entity recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for selling goods or services to customers.

The Common Funds' main source of income includes interest, dividends/distributions and gains/(losses) on financial instruments held at fair value through profit or loss. There were no impacts on the Common Funds upon the adoption of AASB 15. These revenue streams are excluded from the scope of AASB 15 and will continue to be recognised under AASB 9.

Consequently, the Public Trustee does not expect AASB 15 to have any impact on the financial statements of the Common Funds.

### **7.2. Events after the reporting period**

There were no known or material events that have occurred since the end of the reporting period which would impact on the financial position of the Common Funds.

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## **8. Measurement and Risk**

### **8.1. Fair value**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

#### **Classification**

The Funds' financial assets are classified as measured at fair value through profit or loss.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper. Other assets / liabilities comprise amounts due to or from the Common Funds.

Cash and cash equivalents are valued at nominal amounts. This asset consists of cash at bank, on hand and short-term money market deposits with maturities of three months or less that is readily converted to cash and which are subject to insignificant risk of changes in value.

All other assets and liabilities are measured at amortised cost.

#### **Recognition**

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

#### **Measurement**

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

Investments in pooled funds are recorded at fair value as reported by the managers of such funds. The Public Trustee has determined the fair value of financial assets to be the market value of these investments at balance date. AASB 7 *Financial Instruments: Disclosures* requires disclosure of the measurement methodology used to value financial instruments. The Public Trustee invests through fund managers and utilises pricing data provided by those managers which is indirectly derived from the pricing of the underlying securities. For internally managed portfolios, the Public Trustee invests directly through banks and other financial institutions, government and semi-government bond markets and utilises pricing data provided by those institutions and third party pricing vendors.

##### **Fair value hierarchy**

The Public Trustee classifies the fair value measurements of financial assets and financial liabilities using the three level fair value hierarchy as required by AASB 13, set out below, to reflect the source of valuation inputs used when determining the fair value:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

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**8. Measurement and Risk (continued)**

The table below presents the fair value measurement hierarchy of Common Fund financial assets by class:

	<b>2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	94 326	94 326	-	-
<b>Financial assets at fair value through profit or loss</b>				
Fixed interest securities	607 946	425 500	182 446	-
Unlisted unit trusts	457 382	-	457 382	-
<b>Total</b>	<b>1 159 654</b>	<b>519 826</b>	<b>639 828</b>	<b>-</b>
	<b>2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	133 706	133 706	-	-
<b>Financial assets at fair value through profit or loss</b>				
Fixed interest securities	599 744	464 000	135 744	-
Unlisted unit trusts	427 075	-	427 075	-
<b>Total</b>	<b>1 160 525</b>	<b>597 706</b>	<b>562 819</b>	<b>-</b>

The Public Trustee's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1, 2 or 3 for the recurring fair value measurements, and there were no changes in the valuation technique during the years ended 30 June 2019 and 2018.

**8.2. Financial instruments**

**Financial risk management**

The Public Trustee's Common Fund activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. Only Australian domiciled pooled funds are used for overseas asset purchases. In terms of currency exposure, the Overseas Fixed Interest Common Fund is 100% hedged and the Overseas Shares Common Fund maintains a 50% hedged benchmark position which reduces currency volatility. Overseas currency exposure in the Property Common Fund is 97% hedged.

The Manager, Investment Services is responsible for ensuring that all investments are within the guidelines specified by the Public Trustee's Investment Guidelines and Procedures Manual. The Manager, Investment Services may recommend to the Public Trustee and the Public Trustee may, after consultation with the Investment Advisory Committee, approve investments outside of the Public Trustee's Investment Guidelines.

**Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions.

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**8. Measurement and Risk (continued)**

Short-term money market instruments must have a short-term Standard and Poor's (S&P) rating of A1 or in the case of the issuer being a bank under the *Banking Act 1959* a rating of A2 is accepted. Floating rate instruments must have a long-term S&P credit rating of A+ or better or where the counter party is a bank under the *Banking Act 1959*, a rating of BBB or better is accepted. Long-term investments must have long-term S&P credit rating of A+ or better or be an investment in a Commonwealth Government or Semi-Government bond. If there is no independent rating, the Public Trustee assesses the credit quality of the provider, taking into account its financial position and past experience.

Credit risk arises primarily with the following classes of instruments and counterparties:

- Sovereign debt of the Australian Commonwealth and State Governments
- Sovereign debt of foreign governments
- Banking corporations
- Corporate debt
- Pooled Investment Funds

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

The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Pooled Fund Investments are not rated, however, the Public Trustee makes a thorough assessment of all Pooled Fund Managers in regard to credit and other risks prior to the investment of funds with each manager. The credit risk lies with the Pooled Fund Manager responsible for the management of the underlying investments. The Public Trustee continually monitors these assessments.

The following table shows the maximum exposure to credit risk at the end of the reporting period. The exposure is the carrying amount of the financial assets.

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**8. Measurement and Risk (continued)**

**Credit risk analysis**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Common Fund</b>		
<i>Cash and short term investments</i>		
A1+	154 531	167 500
A1	79 534	121 034
A2	94 507	78 500
Cash at bank	5 899	7 489
Total cash and short term investments	<b>334 471</b>	<b>374 523</b>
<i>Long term investments</i>		
AAA	-	3 008
AA-	159 990	132 269
A+	4 542	4 540
A	-	9 038
BBB+	-	3 511
Total long term investments	<b>164 532</b>	<b>152 366</b>
<b>Short Term Fixed Interest Common Fund</b>		
<i>Cash and short term investments</i>		
A1	4 013	-
A2	2 002	5 000
Cash at bank	30 179	30 582
Total cash and short term investments	<b>36 194</b>	<b>35 582</b>
<i>Long term investments</i>		
AA-	19 183	10 540
A-	2 986	-
A+	2 020	4 030
A	-	5 011
BBB+	-	1 004
BBB	3 518	3 499
Total long term investments	<b>27 707</b>	<b>24 084</b>
<b>Long Term Fixed Interest Common Fund</b>		
<i>Cash and short term investments</i>		
A1+	4 015	-
A2	1 000	-
Cash at bank	23 327	45 230
Total cash and short term investments	<b>28 342</b>	<b>45 230</b>
<i>Long term investments</i>		
AAA	2 251	4 335
AA+	12 943	6 553
AA	-	19 320
AA-	55 402	15 556
A-	1 991	-
A	-	1 997
BBB	3 518	3 499
Total long term investments	<b>76 105</b>	<b>51 260</b>

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**8. Measurement and Risk (continued)**

**Market risk**

*(i) Price risk*

The Australian Shares Common Fund, Overseas Shares Common Fund, Property Common Fund and the Overseas Fixed Interest Common Fund are exposed to price risk. The Public Trustee is not directly exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Public Trustee diversifies its portfolio. Diversification of the portfolio is in accordance with the Public Trustee's Investment Guidelines. Irrespective of what type of investment vehicle is used, the primary focus is to ensure the risk/reward objectives of the Public Trustee's investment approach are met. The Common Funds comprise a number of sub-portfolios which invest in different sectors of the equity market.

The Australian Shares Common Fund invests primarily in ASX 300 Companies through Australian domiciled-pooled funds. The Australian Shares Common Fund portfolio consists of listed shares, convertible notes, instalment receipts, preference shares and options. No derivative products are permitted under the Public Trustee's Investment Guidelines.

Equities in the Overseas Shares Common Fund consist of investments through Australian domiciled-pooled funds that obviate exposure to currency price risk. An "active" approach is used by the fund utilising a variety of fund managers with different investment styles. This provides diversification benefits and reduces the overall level of risk.

The Property Common Fund primarily invests in listed securities from the Property Trust sector of any Australian or overseas stock exchange or any listed company whose major activity is in real properties. Investments in this class also comprise un-listed unit trusts where the holding of property or infrastructure is the primary business activity of the issuer.

*(ii) Cash flow and interest rate risk*

The Public Trustee is exposed to interest rate risk arising from cash investments, short term investments and Australian fixed interest investments. Instruments issued at fixed interest rates expose the Public Trustee to fair value interest rate risk and variable rate instruments expose the Public Trustee to cash flow interest rate risk.

The Cash Common Fund can invest in short term money market instruments with up to one year maturity, floating rate investment instruments with maturity terms up to 10 years if the counterparty is a bank with a credit rating of A- or better or fixed interest instruments with maturity terms up to 3 years. Securities with greater than one year maturity are restricted to make up less than 20% of the overall fund.

The Short Term Fixed Interest Common Fund can invest in fixed interest securities with maturity terms of three years if the credit rating is A+ or better, or a maturity term of up to 6 years for Commonwealth bonds and Semi-government bonds.

The Long Term Fixed Interest Common Fund invests in securities with maturities up to 15 years.

*(iii) Foreign exchange risk*

The Overseas Fixed Interest Common Fund, the Overseas Shares Common Fund and the Property Common Fund are indirectly exposed to foreign exchange risk as a result of their investments in other unit trusts which in turn invest in financial instruments that are denominated in foreign currencies.

A sensitivity analysis is provided below, outlining the exposure to each type of market risk at the end of each reporting period, showing how profit or loss and equity would have been affected by the changes in the relevant risk variable that was reasonably possible at that date. All instruments are financial assets and classified as measured at fair value

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**8. Measurement and Risk (continued)**

through the profit or loss; resulting in no impact on equity.

<b>Cash Common Fund</b>		<b>2019</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	5 899	(59)	59	-	-
Financial assets held at fair value through profit or loss	493 104	(4 931)	4 931	-	-
<b>Total (decrease)/increase</b>		<b>(4 990)</b>	<b>4 990</b>	<b>-</b>	<b>-</b>

<b>Cash Common Fund</b>		<b>2018</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	7 489	(75)	75	-	-
Financial assets held at fair value through profit or loss	519 400	(5 194)	5 194	-	-
<b>Total (decrease)/increase</b>		<b>(5 269)</b>	<b>5 269</b>	<b>-</b>	<b>-</b>

<b>Short Term Fixed Interest</b>		<b>2019</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	30 179	(302)	302	-	-
Financial assets held at fair value through profit or loss	33 722	(337)	337	-	-
<b>Total (decrease)/increase</b>		<b>(639)</b>	<b>639</b>	<b>-</b>	<b>-</b>

<b>Short Term Fixed Interest</b>		<b>2018</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	30 582	(306)	306	-	-
Financial assets held at fair value through profit or loss	29 084	(291)	291	-	-
<b>Total (decrease)/increase</b>		<b>(597)</b>	<b>597</b>	<b>-</b>	<b>-</b>

<b>Long Term Fixed Interest</b>		<b>2019</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	23 327	(233)	233	-	-
Financial assets held at fair value through profit or loss	81 120	(811)	811	-	-
<b>Total (decrease)/increase</b>		<b>(1 044)</b>	<b>1 044</b>	<b>-</b>	<b>-</b>

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**8. Measurement and Risk (continued)**

**Long Term Fixed Interest**

		2018				
		Interest Rate Risk		Price Risk		
Financial Assets	Carrying amount	-1% Statement of Comprehensive Income	+1% Statement of Comprehensive Income	-20% Statement of Comprehensive Income	+10% Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	45 230	(452)	452	-	-	-
Financial assets held at fair value through profit or loss	51 260	(513)	513	-	-	-
Total (decrease)/increase		(965)	965	-	-	-

**Overseas Fixed Interest**

		2019				
		Interest Rate Risk		Price Risk		
Financial Assets	Carrying amount	-1% Statement of Comprehensive Income	+1% Statement of Comprehensive Income	-20% Statement of Comprehensive Income	+10% Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6 110	(61)	61	-	-	-
Financial assets held at fair value through profit or loss	53 152	-	-	(10 630)	5 315	-
Total (decrease)/increase		(61)	61	(10 630)	5 315	-

**Overseas Fixed Interest**

		2018				
		Interest Rate Risk		Price Risk		
Financial Assets	Carrying amount	-1% Statement of Comprehensive Income	+1% Statement of Comprehensive Income	-20% Statement of Comprehensive Income	+10% Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	17 155	(172)	172	-	-	-
Financial assets held at fair value through profit or loss	37 462	-	-	(7 492)	3 746	-
Total (decrease)/increase		(172)	172	(7 492)	3 746	-

**Australian Shares**

		2019				
		Interest Rate Risk		Price Risk		
Financial Assets	Carrying amount	-1% Statement of Comprehensive Income	+1% Statement of Comprehensive Income	-20% Statement of Comprehensive Income	+10% Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	13 212	(132)	132	-	-	-
Financial assets held at fair value through profit or loss	160 397	-	-	(32 079)	16 040	-
Total (decrease)/increase		(132)	132	(32 079)	16 040	-

**Australian Shares**

		2018				
		Interest Rate Risk		Price Risk		
Financial Assets	Carrying amount	-1% Statement of Comprehensive Income	+1% Statement of Comprehensive Income	-20% Statement of Comprehensive Income	+10% Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	14 285	(143)	143	-	-	-
Financial assets held at fair value through profit or loss	160 505	-	-	(32 101)	16 051	-
Total (decrease)/increase		(143)	143	(32 101)	16 051	-

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**8. Measurement and Risk (continued)**

<b>Overseas Shares</b>		<b>2019</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	5 390	(54)	54	-	-
Financial assets held at fair value through profit or loss	138 038	-	-	(27 608)	13 804
<b>Total (decrease)/increase</b>		<b>(54)</b>	<b>54</b>	<b>(27 608)</b>	<b>13 804</b>

<b>Overseas Shares</b>		<b>2018</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	10 534	(105)	105	-	-
Financial assets held at fair value through profit or loss	134 203	-	-	(26 841)	13 420
<b>Total (decrease)/increase</b>		<b>(105)</b>	<b>105</b>	<b>(26 841)</b>	<b>13 420</b>

<b>Property</b>		<b>2019</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	10 209	(102)	102	-	-
Financial assets held at fair value through profit or loss	105 795	-	-	(21 159)	10 580
<b>Total (decrease)/increase</b>		<b>(102)</b>	<b>102</b>	<b>(21 159)</b>	<b>10 580</b>

<b>Property</b>		<b>2018</b>			
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Interest Rate Risk</b>		<b>Price Risk</b>	
		<b>-1%</b>	<b>+1%</b>	<b>-20%</b>	<b>+10%</b>
		<b>Statement of Comprehensive Income</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	8 431	(84)	84	-	-
Financial assets held at fair value through profit or loss	94 905	-	-	(18 981)	9 491
<b>Total (decrease)/increase</b>		<b>(84)</b>	<b>84</b>	<b>(18 981)</b>	<b>9 491</b>

**Liquidity risk**

The Public Trustee has working capital policies in place in order to maintain liquidity for clients. Short-term investment analysis assists in determining the amount, if any, to be invested or reinvested in order to maintain working capital.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. The Public Trustee manages the liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8. Measurement and Risk (continued)**

**Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

**Classification applicable until 30 June 2018 under AASB 139 *Financial Instruments: Recognition and Measurement***

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Financial assets measured at fair value through profit or loss
- Loans and receivables
- Financial liabilities measured at cost

**Classification applicable from 1 July 2018 under AASB 9 *Financial Instruments***

On initial recognition, a financial asset / liability is classified as measured at amortised cost or at fair value through profit or loss.

**Maturity analysis of financial assets & financial liabilities**

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Note	2019 Carrying amount \$'000	2019 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	3.1	94 326	94 326	-	-
Advances to estates		2 969	2 969	-	-
Financial assets held at fair value through profit or loss	3.2	1 065 328	794 984	263 329	7 015
Other assets		19 083	19 083	-	-
<b>Total financial assets</b>		<b>1 181 706</b>	<b>911 362</b>	<b>263 329</b>	<b>7 015</b>
<b>Financial liabilities</b>					
Income distribution payable		18 367	18 367	-	-
Funds due to other Common Funds		88 427	88 427	-	-
Other liabilities		15	15	-	-
<b>Total financial liabilities</b>		<b>106 809</b>	<b>106 809</b>	<b>-</b>	<b>-</b>

**The Public Trustee**  
**COMMON FUNDS**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8. Measurement and Risk (continued)**

	Note	2018 Carrying amount \$'000	2018 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	3.1	133 706	133 706	-	-
Advances to estates		3 445	3 445	-	-
Financial assets held at fair value through profit or loss	3.2	1 026 819	799 109	216 743	10 967
Other assets		32 102	32 102	-	-
<b>Total financial assets</b>		<b>1 196 072</b>	<b>968 362</b>	<b>216 743</b>	<b>10 967</b>
<b>Financial liabilities</b>					
Income distribution payable		40 381	40,381	-	-
Funds due to other Common Funds		126 217	126,217	-	-
Other liabilities		26	26	-	-
<b>Total financial liabilities</b>		<b>166,624</b>	<b>166,624</b>	<b>-</b>	<b>-</b>