



**Government
of South Australia**

THE PUBLIC TRUSTEE
2019-20
Common Fund Annual Report

The Public Trustee

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To:

The Honourable Vickie Chapman MP

Deputy Premier

Attorney-General

Minister for Planning and Local Government

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

Public Trustee

24 September 2020

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.

The Public Trustee Strategic Plan for 2019-2021 outlines that 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 2019-20 the Public Trustee completed all recommendations of the Independent Commissioner Against Corruption's (ICAC) Evaluation of the Practices, Policies and Procedures. This included streamlining policies and procedures, increased training of staff, improved staff communication as well as ensuring robust procurement processes and a plan to progressively update legacy systems over time. To ensure the recommendations were implemented and embedded in the business, PWC conducted an internal audit as part of the Public Trustee's 2019-20 Internal Audit Plan and confirmed that all items were finalised by the end of November 2019.

There were a number of changes to the Public Trustee services which were implemented in 2019-20. These included 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 returned the Public Trustee back to its core business as a trustee, executor and administrator.

The operations of the Public Trustee have been improved in 2019-20 by:

- Taking an incremental approach to modernising the existing electronic systems. As part of this approach, the Public Trustee enhanced telephone call and management recording. The system has continued to be enhanced over time and forms part of staff coaching and training.
- Strengthening investment governance with the appointment of two additional external Investment Committee members.
- Enhancing existing dashboards that monitor performance against service standards and key areas of service provision to improve the customer experience.
- Strengthening the staff and manager training regime, improving staff consultation and making organisational changes to improve workforce capacity and capability.
- Holding the second annual staff recognition event in November.

The Customer Satisfaction Survey for 2019-20 has confirmed an improved level of satisfaction compared to the prior year in all areas of customer service provision.

The COVID-19 crisis resulted in a number of major changes to business operations during the period including:

- Experiencing a significant increase of in-bound calls, receipting and payments to suppliers and clients, as a result of payments to customers under the Commonwealth Government's economic stimulus package.
 - 3,241 Commonwealth Government payments to support households (each of \$750), totalling \$2.43 million were receipted to customer accounts.
- Undertaking extensive work to expand our ICT capability with increased server capacity for remote users.
- Transitioning to working from home arrangements and the change in processes that have been involved to accommodate at least 50% of staff working from home.
- Ensuring employee wellbeing was central to our planning including enhanced weekly communications.
- Creating a 'smiley face survey' wellbeing initiative, a brief, two minute email survey in which employees are asked "How do you feel today?", using smiley face icons to indicate their reply - a free text section provides opportunity for further context to be shared by the employee.

The Public Trustee's profit for 2019-20 was \$5.648 million.

The 2019-20 financial year was an extremely volatile period for financial markets. After a particularly challenging March period, markets partially recovered in the June quarter.

For the financial year, global shares and fixed interest were the best performers, finishing with positive returns, whilst Australian shares, listed real estate and most other asset classes finished down. The Public Trustee's investment returns ranged from 1.03% for Cash to -2.48% for Equities, net of fees. Ten year returns ranged from 2.90% p.a. for Cash to 9.26% p.a. for Equities, net of fees.

Nicolle Rantanen
Public Trustee

Contents

Contents	5
Overview: about the agency	6
Our strategic focus.....	6
Our organisational structure.....	8
Changes to the agency	9
Our Minister	11
Our Executive team	12
Legislation administered by the agency	13
Other related agencies.....	13
Other information	13
Reporting required under any other act or regulation	16
Appendix: Audited Common Fund financial statements 2019-20	23

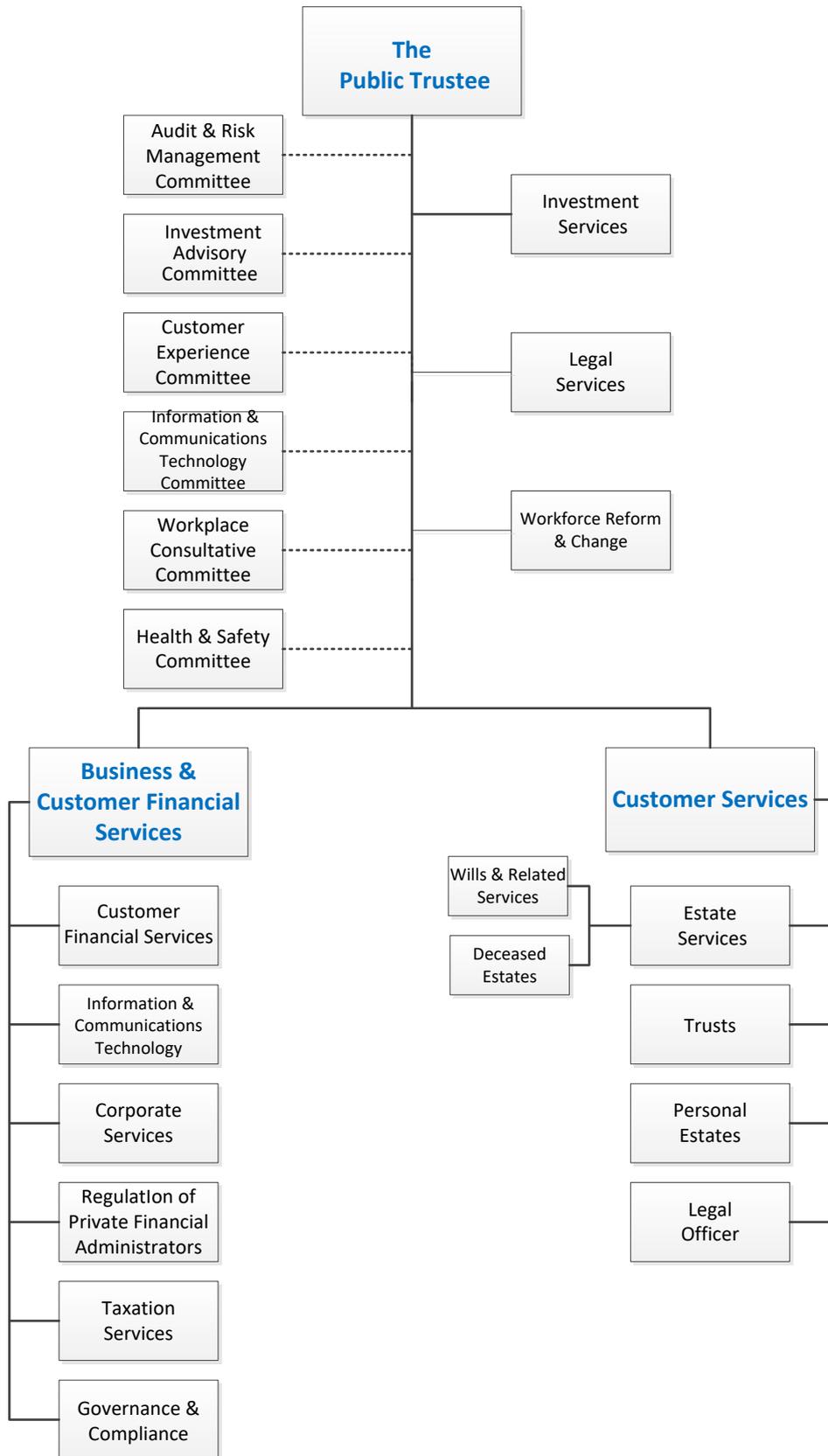
Overview: about the agency

Our strategic focus

Our Purpose	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.
Our Values	<p>Service</p> <p><i>Proudly serve the community and Government of South Australia</i></p> <ul style="list-style-type: none"> • Provide friendly, timely, knowledgeable and accurate information to customers. • Explain things in an easy to understand and jargon-free way. • Show empathy and put yourself in the customers' shoes. <p>Professionalism</p> <p><i>Strive for excellence</i></p> <ul style="list-style-type: none"> • Provide relevant and timely responses to requests. • Follow through on priorities, and care about your work. • Encourage ongoing learning to maintain and update knowledge. <p>Trust</p> <p><i>We have confidence in the ability of others</i></p> <ul style="list-style-type: none"> • Trust the team to do the right thing. • Empower and encourage others to participate in decision making. <p>Respect</p> <p><i>We value every individual</i></p> <ul style="list-style-type: none"> • Be polite, listen to opinions, and provide feedback. • Treat everyone with dignity. <p>Collaboration and Engagement</p> <p><i>We create solutions together</i></p> <ul style="list-style-type: none"> • Consult, genuinely listen to and consider people's views. • Work together to solve problems.

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

Our organisational structure



Changes to the agency

During 2019-20 the following changes occurred to the agency's structure and objectives. These changes to services took effect from 1 July 2019.

i) Will & Enduring Power of Attorney Eligible Customers

Will making and Enduring Power of Attorney services were previously available to all South Australians. From 1 July 2019, these services were 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:

- Jobseeker (formerly known as 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 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)).

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

1. Wills 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. Trusts of Self-Managed Superannuation Funds
6. Staff of the Public Trustee

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

On 1 July 2019 the Public Trustee ceased accepting any new deposits from the six classes listed above, with the service to be fully phased out by 30 June 2021. This will enable the existing clients sufficient time to seek the necessary accounting and taxation advice and arrange for an alternative investment provider. There were 227 investors when the changes were announced. That reduced to 144 investors at 30 June 2020.

Last year's annual report noted the intention of the government to merge the Public Trustee and the Office of the Public Advocate, subject to the passage of legislation. This legislation was not passed by the Parliament and this merger did not proceed.

Our Minister



The Hon Vickie Chapman MP, Deputy Premier, Attorney-General and Minister for Planning and Local Government 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

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, as manager of estates of protected persons 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, procurement and risk management. The role is also responsible for financial services for customers including financial management and reporting, accounts payable and receivable, investment funds management 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

The Public Trustee's Growth and Equities investment strategies outperformed their target returns. The Capital Stable and Balanced investment strategies underperformed their targets due to the COVID-19 pandemic impact on strategies with a short term investment horizon.

Investment Performance versus CPI Objectives as at 30 June 2020

Investment Strategy	CPI Objective	Investment Horizon	Target Return % pa	Actual Return % pa	Over (+)/ Under(-)	Over/Under performance % pa
Capital Stable	CPI + 1.5% pa	3 Years	2.60%	2.45%	-	-0.15%
Balanced	CPI + 3% pa	5 Years	4.25%	4.18%	-	-0.07%
Growth	CPI + 3.5% pa	7 Years	5.04%	6.71%	+	1.67%
Equities	CPI + 4% pa	10 Years	5.79%	9.26%	+	3.47%

2019–20 Investment Strategies

2019–20 Standard Investment Strategies' Performance

	Last 12 Months	Last 3 Years (Annualised)	Last 5 Years (Annualised)	Last 7 Years (Annualised)	Last 10 Years (Annualised)
Cash	1.03%	1.58%	1.75%	2.08%	2.90%
Benchmark	-0.16%	0.53%	0.73%	0.99%	1.68%
Variance	1.19%	1.05%	1.02%	1.09%	1.22%
Capital Stable	-0.02%	2.45%	3.03%	3.96%	4.79%
Benchmark	0.21%	3.16%	3.21%	3.91%	4.56%
Variance	-0.23%	-0.71%	-0.18%	0.05%	0.23%
Balanced	-1.51%	3.21%	4.18%	5.61%	6.54%
Benchmark	-1.54%	4.25%	4.42%	5.69%	6.41%
Variance	0.03%	-1.04%	-0.24%	-0.08%	0.13%
Growth	-2.27%	3.75%	4.93%	6.71%	7.67%
Benchmark	-2.40%	4.72%	5.00%	6.64%	7.33%
Variance	0.13%	-0.97%	-0.07%	0.07%	0.34%
Equities	-2.48%	4.99%	6.31%	8.61%	9.26%
Benchmark	-3.79%	5.67%	6.06%	8.34%	8.67%
Variance	1.31%	-0.68%	0.25%	0.27%	0.59%

2019–20 Asset Allocation

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.

2019–20 Capital Stable Standard Investment Strategy

Common Fund	Allocation (%) 2019-20			Allocation (%) 2018-19		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	10.0%	9.4%	12.77	10.0%	9.9%	13.25
Overseas Shares	8.0%	7.7%	10.39	8.0%	7.9%	10.52
Property	10.0%	9.8%	13.21	10.0%	10.5%	14.00
Long Term Fixed Interest	15.0%	15.3%	20.63	15.0%	14.9%	19.87
Short Term Fixed Interest	26.5%	27.3%	36.88	26.5%	26.6%	35.44
Overseas Fixed Interest	12.5%	12.2%	16.42	12.5%	12.1%	16.16
Cash	18.0%	18.3%	24.81	18.0%	18.1%	24.11
TOTAL	100.0%	100.0%	135.11	100.0%	100.0%	133.35

2019–20 Balanced Standard Investment Strategy

Common Fund	Allocation (%) 2019-20			Allocation (%) 2018-19		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	20.5%	18.3%	45.81	19.0%	18.8%	48.58
Overseas Shares	12.0%	15.7%	39.26	16.0%	15.8%	40.65
Property	22.5%	19.9%	49.94	20.0%	21.0%	54.03
Long Term Fixed Interest	19.0%	22.8%	57.06	22.0%	21.8%	56.16
Short Term Fixed Interest	7.0%	7.3%	18.38	7.0%	7.0%	18.05
Overseas Fixed Interest	15.0%	11.9%	29.76	12.0%	11.6%	29.93
Cash	4.0%	4.1%	10.41	4.0%	4.0%	10.34
TOTAL	100.0%	100.0%	250.62	100.0%	100.0%	257.74

2019–20 Growth Standard Investment Strategy

Common Fund	Allocation (%) 2019-20			Allocation (%) 2018-19		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	29.0%	28.2%	61.62	29.0%	28.8%	64.79
Overseas Shares	24.0%	23.7%	51.90	24.0%	23.6%	53.28
Property	20.0%	20.1%	44.00	20.0%	20.9%	47.19
Long Term Fixed Interest	12.5%	13.1%	28.56	12.5%	12.4%	27.86
Short Term Fixed Interest	4.5%	4.8%	10.41	4.5%	4.5%	10.14
Overseas Fixed Interest	6.0%	6.0%	13.10	6.0%	5.8%	13.06
Cash	4.0%	4.1%	9.17	4.0%	4.0%	9.03
TOTAL	100.0%	100.0%	218.76	100.0%	100.0%	225.35

2019–20 Equities Standard Investment Strategy

Common Fund	Allocation (%) 2019-20			Allocation (%) 2018-19		
	Neutral	Period End	\$m	Neutral	Period End	\$m
Australian Shares	55.0%	54.6%	44.36	55.0%	55.2%	46.86
Overseas Shares	45.0%	45.4%	36.93	45.0%	44.8%	38.07
TOTAL	100.0%	100.0%	81.29	100.0%	100.0%	84.93

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
<i>Public Trustee Act 1995</i>	<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> <ul style="list-style-type: none"> (a) the audited statement of accounts in respect of each common fund for that financial year; and (b) the Auditor-General's report on those accounts; and (c) the following investor information in respect of each common fund: <ul style="list-style-type: none"> (i) the nature and amount or rate of any fee that the Public Trustee charges in respect of investment in the fund; and (ii) the class of investments in which the fund may be invested; and (iii) the extent (if any) to which a capital sum invested may be reduced to defray losses from investment of the fund; and (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 required to give the Public Trustee in respect of such withdrawal; and (v) the terms governing distribution of income and profit or loss of a capital nature attributable to each investment in the fund.

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.

Strategy	ICR 2019-20	ICR 2018-19
Cash	1.09%	1.09%
Capital Stable	1.30%	1.29%
Balanced	1.46%	1.46%
Growth	1.54%	1.55%
Equities	1.65%	1.69%
Common Fund	ICR 2019-20	ICR 2018-19
Cash	1.09%	1.09%
Long Term Fixed Interest	1.09%	1.08%
Short Term Fixed Interest	1.08%	1.09%
Overseas Fixed Interest	1.43%	1.30%
Australian Shares	1.53%	1.56%
Property	1.75%	1.73%
Overseas Shares	1.79%	1.85%

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.

Deposits

The Public Trustee manages the deposit of funds for our Trust and Personal Estate customers. Deposits are no longer accepted for Section 29(1)(b) customers.

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 are 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:

- i. 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:

- i. 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:

- i. 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 2019-20

The Public Trustee's annual Common Fund Financial Statements for the year ended 30 June 2020 appear on the following pages.

The Public Trustee

Common Fund

Financial Statements

For the year ended 30 June 2020

The Public Trustee

211 Victoria Square Adelaide SA 5000

GPO Box 1338 Adelaide SA 5001

publictrustee@sa.gov.au

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Cash Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Interest	1.1(d)	9 277	15 200
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	8	204
Other income		-	1
Total investment income		9 285	15 405
Expenses			
The Public Trustee management fees	1.1(e), (m)	4 394	4 487
Legal and advisory expenses		104	104
Other expenses		12	21
Total expenses		4 510	4 612
Net result from operating activities		4 775	10 793
Financing costs attributable to unitholders			
Undistributed income brought forward		1 083	966
Distributions to unitholders	4.4	(5 644)	(10 472)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(8)	(204)
Total financing costs attributable to unitholders		(4 569)	(9 710)
(Increase) / decrease in net assets attributable to unitholders		(206)	(1 083)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Cash Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	38 261	5 899
Advances to estates	1.1(i)	4 100	2 969
Financial assets held at fair value through profit or loss	3.2	424 149	493 104
Other assets	1.1(j)	1 678	3 052
Total assets		468 188	505 024
Liabilities			
Income distribution payable		206	1 083
Funds due to other Common Funds		37 177	88 427
Other liabilities		16	15
Total liabilities (excluding net assets attributable to unitholders)		37 399	89 525
Net assets attributable to unitholders - Liability	4.2	430 789	415 499
Represented by:			
Fair value of outstanding units based on net asset value		430 789	415 499

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Cash Common Fund

	Note	2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Interest received		10 662	16 105
Cash generated from operations		10 662	16 105
<u>Cash outflows</u>			
Payments for expenses		(4 503)	(4 620)
Cash used in operations		(4 503)	(4 620)
Net cash provided by / (used in) operating activities	5.2	6 159	11 485
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		199 973	372 482
Net repayments of advances to estates		-	476
Cash generated from investing activities		199 973	372 958
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(131 028)	(345 983)
Net advances to estates		(1 131)	-
Cash used in investing activities		(132 159)	(345 983)
Net cash provided by / (used in) investing activities		67 814	26 975
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		15 283	8 212
Cash generated from financing activities		15 283	8 212
<u>Cash outflows</u>			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(51 250)	(37 790)
Distributions paid		(5 644)	(10 472)
Cash used in financing activities		(56 894)	(48 262)
Net cash provided by / (used in) financing activities		(41 611)	(40 050)
Net increase / (decrease) in cash and cash equivalents		32 362	(1 590)
Cash and cash equivalents at the beginning of the period		5 899	7 489
Cash and cash equivalents at the end of the period	3.1	38 261	5 899

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Short Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Interest	1.1(d)	1 165	1 508
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	709	137
Total investment income		1 874	1 645
Expenses			
The Public Trustee management fees	1.1(e), (m)	700	664
Legal and advisory expenses		17	15
Total expenses		717	679
Net result from operating activities		1 157	966
Financing costs attributable to unitholders			
Undistributed income brought forward		414	359
Distributions to unitholders	4.4	(684)	(773)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(709)	(138)
Total financing costs attributable to unitholders		(979)	(552)
(Increase) / decrease in net assets attributable to unitholders		(178)	(414)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Short Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	7 156	30 179
Financial assets held at fair value through profit or loss	3.2	58 429	33 722
Other assets	1.1(j)	297	163
Total assets		65 882	64 064
Liabilities			
Income distribution payable		178	414
Total liabilities (excluding net assets attributable to unitholders)		178	414
Net assets attributable to unitholders - Liability	4.2	65 704	63 650
Represented by:			
Fair value of outstanding units based on net asset value		65 704	63 650

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Short Term Fixed Interest Common Fund

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Interest received		1 030	1 545
Cash generated from operations		1 030	1 545
<u>Cash outflows</u>			
Payments for expenses		(717)	(679)
Cash used in operations		(717)	(679)
Net cash provided by / (used in) operating activities	5.2	313	866
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		7 000	12 000
Cash generated from investing activities		7 000	12 000
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(30 997)	(16 502)
Cash used in investing activities		(30 997)	(16 502)
Net cash provided by / (used in) investing activities		(23 997)	(4 502)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		4 637	7 402
Cash generated from financing activities		4 637	7 402
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 292)	(3 396)
Distributions paid		(684)	(773)
Cash used in financing activities		(3 976)	(4 169)
Net cash provided by / (used in) financing activities		661	3 233
Net increase / (decrease) in cash and cash equivalents		(23 023)	(403)
Cash and cash equivalents at the beginning of the period		30 179	30 582
Cash and cash equivalents at the end of the period	3.1	7 156	30 179

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Long Term Fixed Interest Common Fund

	Note	2020	2019
		\$'000	\$'000
Investment income			
Interest	1.1(d)	2 709	3 032
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	936	928
Total investment income		3 645	3 960
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 132	1 066
Legal and advisory expenses		27	25
Total expenses		1 159	1 091
Net result from operating activities		2 486	2 869
Financing costs attributable to unitholders			
Undistributed income brought forward		997	902
Distributions to unitholders	4.4	(1 837)	(1 846)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(911)	(928)
Total financing costs attributable to unitholders		(1 751)	(1 872)
(Increase) / decrease in net assets attributable to unitholders		(735)	(997)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Long Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	14 064	23 327
Financial assets held at fair value through profit or loss	3.2	92 481	81 120
Other assets	1.1(j)	494	491
Total assets		107 039	104 938
Liabilities			
Income distribution payable		735	997
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		736	997
Net assets attributable to unitholders - Liability	4.2	106 303	103 941
Represented by:			
Fair value of outstanding units based on net asset value		106 303	103 941

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Long Term Fixed Interest Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$'000	\$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Interest received		2 752	3 050
Cash generated from operations		2 752	3 050
<u>Cash outflows</u>			
Payments for expenses		(1 158)	(1 091)
Cash used in operations		(1 158)	(1 091)
Net cash provided by / (used in) operating activities	5.2	1 594	1 959
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		11 030	-
Cash generated from investing activities		11 030	-
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(21 501)	(29 000)
Cash used in investing activities		(21 501)	(29 000)
Net cash provided by / (used in) investing activities		(10 471)	(29 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		7 524	13 458
Cash generated from financing activities		7 524	13 458
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(6 073)	(6 474)
Distributions paid		(1 837)	(1 846)
Cash used in financing activities		(7 910)	(8 320)
Net cash provided by / (used in) financing activities		(386)	5 138
Net increase / (decrease) in cash and cash equivalents		(9 263)	(21 903)
Cash and cash equivalents at the beginning of the period		23 327	45 230
Cash and cash equivalents at the end of the period	3.1	14 064	23 327

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Overseas Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		1 920	1 262
Interest	1.1(d)	50	368
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(755)	638
Other income		108	53
Total investment income		1 323	2 321
Expenses			
The Public Trustee management fees	1.1(e), (m)	645	607
Legal and advisory expenses		15	14
Total expenses		660	621
Net result from operating activities		663	1 700
Financing costs attributable to unitholders			
Undistributed income brought forward		812	384
Distributions to unitholders	4.4	(950)	(634)
Transfers from / (to) net assets to determine distributable income	1.1(g)	755	(638)
Total financing costs attributable to unitholders		617	(888)
(Increase) / decrease in net assets attributable to unitholders		(1 280)	(812)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Overseas Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	1 297	6 110
Financial assets held at fair value through profit or loss	3.2	58 006	53 152
Other assets	1.1(j)	1 341	741
Total assets		60 644	60 003
Liabilities			
Income distribution payable		1 280	812
Total liabilities (excluding net assets attributable to unitholders)		1 280	812
Net assets attributable to unitholders - Liability	4.2	59 364	59 191
Represented by:			
Fair value of outstanding units based on net asset value		59 364	59 191

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Overseas Fixed Interest Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Trust distributions received		1 300	846
Interest received		70	374
Cash generated from operations		1 370	1 220
<u>Cash outflows</u>			
Payments for expenses		(660)	(621)
Cash used in operations		(660)	(621)
Net cash provided by / (used in) operating activities	5.2	710	599
Cash flows from investing activities			
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(5 501)	(15 000)
Cash used in investing activities		(5 501)	(15 000)
Net cash provided by / (used in) investing activities		(5 501)	(15 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		4 290	7 544
Cash generated from financing activities		4 290	7 544
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 362)	(3 554)
Distributions paid		(950)	(634)
Cash used in financing activities		(4 312)	(4 188)
Net cash provided by / (used in) financing activities		(22)	3 356
Net increase / (decrease) in cash and cash equivalents		(4 813)	(11 045)
Cash and cash equivalents at the beginning of the period		6 110	17 155
Cash and cash equivalents at the end of the period	3.1	1 297	6 110

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Australian Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		7 627	11 592
Interest	1.1(d)	129	298
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(10 110)	(8 671)
Other income		615	563
Total investment income		(1 739)	3 782
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 852	1 784
Legal and advisory expenses		45	42
Total expenses		1 897	1 826
Net result from operating activities		(3 636)	1 956
Financing costs attributable to unitholders			
Undistributed income brought forward		9 089	18 315
Distributions to unitholders	4.4	(11 773)	(19 853)
Transfers from / (to) net assets to determine distributable income	1.1(g)	11 707	8 671
Total financing costs attributable to unitholders		9 023	7 133
(Increase) / decrease in net assets attributable to unitholders		(5 387)	(9 089)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Australian Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	7 601	13 212
Financial assets held at fair value through profit or loss	3.2	156 902	160 397
Other assets	1.1(j)	5 802	9 362
Total assets		170 305	182 971
Liabilities			
Income distribution payable		5 387	9 089
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		5 388	9 089
Net assets attributable to unitholders - Liability	4.2	164 917	173 882
Represented by:			
Fair value of outstanding units based on net asset value		164 917	173 882

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Australian Shares Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Trust distributions received		11 167	17 162
Interest received		148	295
Cash generated from operations		11 315	17 457
<u>Cash outflows</u>			
Payments for expenses		(1 895)	(1 826)
Cash used in operations		(1 895)	(1 826)
Net cash provided by / (used in) operating activities	5.2	9 420	15 631
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		7 500	-
Cash generated from investing activities		7 500	-
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(13 500)	(8 000)
Cash used in investing activities		(13 500)	(8 000)
Net cash provided by / (used in) investing activities		(6 000)	(8 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		13 305	22 682
Cash generated from financing activities		13 305	22 682
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(10 563)	(11 533)
Distributions paid		(11 773)	(19 853)
Cash used in financing activities		(22 336)	(31 386)
Net cash provided by / (used in) financing activities		(9 031)	(8 704)
Net increase / (decrease) in cash and cash equivalents		(5 611)	(1 073)
Cash and cash equivalents at the beginning of the period		13 212	14 285
Cash and cash equivalents at the end of the period	3.1	7 601	13 212

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Overseas Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		2 512	3 445
Interest	1.1(d)	64	119
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(6 194)	8 471
Other income		406	392
Total investment income		(3 212)	12 427
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 530	1 471
Legal and advisory expenses		37	35
Total expenses		1 567	1 506
Net result from operating activities		(4 779)	10 921
Financing costs attributable to unitholders			
Undistributed income brought forward		3 824	16 152
Distributions to unitholders	4.4	(3 824)	(27 154)
Transfers from / (to) net assets to determine distributable income	1.1(g)	6 194	3 905
Total financing costs attributable to unitholders		6 194	(7 097)
(Increase) / decrease in net assets attributable to unitholders		(1 415)	(3 824)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Overseas Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	3 727	5 390
Financial assets held at fair value through profit or loss	3.2	134 231	138 038
Other assets	1.1(j)	2 186	3 186
Total assets		140 144	146 614
Liabilities			
Income distribution payable		1 415	3 824
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		1 416	3 824
Net assets attributable to unitholders - Liability	4.2	138 728	142 790
Represented by:			
Fair value of outstanding units based on net asset value		138 728	142 790

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Overseas Shares Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Trust distributions received		3 500	9 257
Interest received		76	125
Cash generated from operations		3 576	9 382
<u>Cash outflows</u>			
Payments for expenses		(1 566)	(1 506)
Cash used in operations		(1 566)	(1 506)
Net cash provided by / (used in) operating activities	5.2	2 010	7 876
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	5 029
Cash generated from investing activities		-	5 029
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(1 981)	-
Cash used in investing activities		(1 981)	-
Net cash provided by / (used in) investing activities		(1 981)	5 029
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		10 859	18 526
Cash generated from financing activities		10 859	18 526
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(8 727)	(9 421)
Distributions paid		(3 824)	(27 154)
Cash used in financing activities		(12 551)	(36 575)
Net cash provided by / (used in) financing activities		(1 692)	(18 049)
Net increase / (decrease) in cash and cash equivalents		(1 663)	(5 144)
Cash and cash equivalents at the beginning of the period		5 390	10 534
Cash and cash equivalents at the end of the period	3.1	3 727	5 390

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Property Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		2 948	3 661
Interest	1.1(d)	85	172
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(10 026)	5 625
Other income		138	133
Total investment income		(6 855)	9 591
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 241	1 147
Legal and advisory expenses		127	105
Total expenses		1 368	1 252
Net result from operating activities		(8 223)	8 339
Financing costs attributable to unitholders			
Undistributed income brought forward		2 148	3 303
Distributions to unitholders	4.4	(2 894)	(3 885)
Transfers from / (to) net assets to determine distributable income	1.1(g)	9 875	(5 609)
Total financing costs attributable to unitholders		9 129	(6 191)
(Increase) / decrease in net assets attributable to unitholders		(906)	(2 148)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2020

Property Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	3 332	10 209
Financial assets held at fair value through profit or loss	3.2	104 914	105 795
Other assets	1.1(j)	541	2 088
Total assets		108 787	118 092
Liabilities			
Income distribution payable		906	2 148
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		907	2 148
Net assets attributable to unitholders - Liability	4.2	107 880	115 944
Represented by:			
Fair value of outstanding units based on net asset value		107 880	115 944

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Property Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Trust distributions received		4 479	5 054
Interest received		101	168
Cash generated from operations		4 580	5 222
<u>Cash outflows</u>			
Payments for expenses		(1 264)	(1 253)
Cash used in operations		(1 264)	(1 253)
Net cash provided by / (used in) operating activities	5.2	3 316	3 969
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		1 000	88
Cash generated from investing activities		1 000	88
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(10 110)	(5 456)
Cash used in investing activities		(10 110)	(5 456)
Net cash provided by / (used in) investing activities		(9 110)	(5 368)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		8 826	14 437
Cash generated from financing activities		8 826	14 437
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(7 015)	(7 375)
Distributions paid		(2 894)	(3 885)
Cash used in financing activities		(9 909)	(11 260)
Net cash provided by / (used in) financing activities		(1 083)	3 177
Net increase / (decrease) in cash and cash equivalents		(6 877)	1 778
Cash and cash equivalents at the beginning of the period		10 209	8 431
Cash and cash equivalents at the end of the period	3.1	3 332	10 209

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT PUBLIC TRUSTEE COMMON FUNDS	24
1.1. Basis of preparation	24
1.2. Impact of COVID-19 pandemic on the Common Funds	27
1.3. Significant transactions with government related entities	27
2. BOARD, COMMITTEES AND EMPLOYEES	28
2.1. Key management personnel	28
3. FINANCIAL ASSETS	29
3.1. Cash and cash equivalents	29
3.2. Financial assets held at fair value through profit or loss	30
4. LIABILITIES	31
4.1. Net assets attributable to unitholders.....	31
4.2. Movements in funds employed	32
4.3. Net realised and unrealised gains / (losses) on financial assets	33
4.4. Distributions to unitholders	34
5. OTHER DISCLOSURES	36
5.1. Derivative financial instruments	36
5.2. Cash flow.....	36
6. CHANGES IN ACCOUNTING POLICY	39
6.1. AASB 15 Revenue from Contracts with Customers.....	39
6.2. Presentation of Financial Statements	39
7. OUTLOOK	40
7.1. Impact of standards and statements not yet effective.....	40
7.2. Events after the reporting period	40
8. MEASUREMENT AND RISK	41
8.1. Fair value.....	41
8.2. Financial instruments.....	42

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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 2019-20 (and 2018-19), 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 three independent members (one being appointed as 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 financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

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

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

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

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.

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.

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 are 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 2020 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 Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

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 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).

1.2. Impact of COVID-19 pandemic on the Common Funds

The COVID-19 pandemic and its effects on the global economy were profound. Both portfolio growth and investment returns have been affected. The 2019-20 financial year was extremely volatile for financial markets, after a challenging third quarter, markets staged a strong recovery in the June quarter. A number of significant government stimulus measures and cuts to interest rates helped to restore confidence.

The key impacts in 2019-20 were:

- Lower investment returns coupled with corresponding lower portfolio growth
- Lower returns to clients through distributions paid; and

1.3. 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 \$6.0 million was invested during 2019-20 by the Residential Tenancies Fund by the Commissioner for Consumer Affairs (2019: \$6.3 million by the Residential Tenancies and Retail Shop Leases 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 \$11.5 million (2019: \$11.2 million).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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 2020, there were no material transactions or balances to disclose with key management personnel or other related parties (2019: Nil).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Financial Assets

3.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Cash Common Fund		
Cash	2 261	899
Money market instruments	36 000	5 000
	38 261	5 899
Short Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	7 156	30 179
	7 156	30 179
Long Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	14 064	23 327
	14 064	23 327
Overseas Fixed Interest Common Fund		
Deposits in Cash Common Fund	1 297	6 110
	1 297	6 110
Australian Shares Common Fund		
Deposits in Cash Common Fund	7 601	13 212
	7 601	13 212
Overseas Shares Common Fund		
Deposits in Cash Common Fund	3 727	5 390
	3 727	5 390
Property Common Fund		
Deposits in Cash Common Fund	3 332	10 209
	3 332	10 209
Total cash and cash equivalents	75 438	94 326

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 0.45% (2019: 1.45%) per annum as at 30 June 2020 available at call. During 2019-20, 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 2019-20 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 at 0.50% (2019: 2.00%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Financial Assets (continued)

Money market instruments

Money market investments comprise short term at call deposit accounts. Interest rates range from 0.60% to 1.30% (2019: 1.60%).

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

	Cash		Short Term Fixed Interest	
	2020 Fair Value \$'000	2019 Fair Value \$'000	2020 Fair Value \$'000	2019 Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities ¹	424 149	493 104	58 429	33 722
Unlisted unit trusts	-	-	-	-
Total designated as at fair value through profit or loss	424 149	493 104	58 429	33 722
	Long Term Fixed Interest		Overseas Fixed Interest	
	2020 Fair Value \$'000	2019 Fair Value \$'000	2020 Fair Value \$'000	2019 Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities	92 481	81 120	-	-
Unlisted unit trusts	-	-	58 006	53 152
Total designated as at fair value through profit or loss	92 481	81 120	58 006	53 152
	Australian Shares		Overseas Shares	
	2020 Fair Value \$'000	2019 Fair Value \$'000	2020 Fair Value \$'000	2019 Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	-	-
Unlisted unit trusts	156 902	160 397	134 231	138 038
Total designated as at fair value through profit or loss	156 902	160 397	134 231	138 038
	Property		Total	
	2020 Fair Value \$'000	2019 Fair Value \$'000	2020 Fair Value \$'000	2019 Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	575 059	607 946
Unlisted unit trusts	104 914	105 795	454 053	457 382
Total designated as at fair value through profit or loss	104 914	105 795	1 029 112	1 065 328

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

¹ Includes other common funds deposits in the Cash Common Fund of \$37.2 million (2019: \$88.4 million).

Fixed interest securities

These investments bear floating interest rates between 0.87% and 5.30% (2019: 2.11% and 5.30%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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

	2020		2019	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Short Term Fixed Interest	\$ 1.0188	\$ 1.0178	\$ 1.0077	\$ 1.0067
Long Term Fixed Interest	\$ 1.0695	\$ 1.0685	\$ 1.0603	\$ 1.0593
Overseas Fixed Interest	\$ 0.8603	\$ 0.8589	\$ 0.8711	\$ 0.8702
Australian Shares	\$ 1.6553	\$ 1.6474	\$ 1.7686	\$ 1.7598
Overseas Shares	\$ 1.1498	\$ 1.1450	\$ 1.1990	\$ 1.1940
Property	\$ 1.0416	\$ 1.0439	\$ 1.1377	\$ 1.1352

Movements in units

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2020	2019	2020	2019	2020	2019
	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
Opening balance	63 193	59 215	98 080	91 444	67 982	63 371
Applications	4 576	7 358	7 053	12 798	4 865	8 720
Redemptions	(3 248)	(3 380)	(5 693)	(6 162)	(3 829)	(4 109)
Closing balance	64 521	63 193	99 440	98 080	69 018	67 982

	Australian Shares		Overseas Shares		Property	
	2020	2019	2020	2019	2020	2019
	No. of units 000's					
Opening balance	98 585	92 349	119 364	111 780	101 492	95 103
Applications	7 258	12 687	8 783	15 404	7 534	13 093
Redemptions	(5 951)	(6 451)	(7 211)	(7 820)	(6 161)	(6 704)
Closing balance	99 892	98 585	120 936	119 364	102 865	101 492

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Liabilities (continued)

4.2. Movements in funds employed

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	415 499	407 080	63 650	59 508	103 941	96 029	59 191	54 564
Applications	3 195	5 001	4 637	7 402	7 524	13 458	4 290	7 544
Redemptions	(2 261)	(2 355)	(3 292)	(3 396)	(6 073)	(6 474)	(3 362)	(3 554)
Transfers from/(to) net assets to determine distributable income ¹	14,356	5 773	709	136	911	928	(755)	637
Closing balance	430 789	415 499	65 704	63 650	106 303	103 941	59 364	59 191

	Australian Shares		Overseas Shares		Property		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	173 882	171 404	142 790	137 589	115 944	103 274	1 074 897	1 029 448
Applications	13 305	22 682	10 859	18 526	8 826	14 437	52 636	89 050
Redemptions	(10 563)	(11 533)	(8 727)	(9 421)	(7 015)	(7 375)	(41 293)	(44 108)
Transfers from/(to) net assets to determine distributable income ¹	(11 707)	(8 671)	(6 194)	(3 904)	(9 875)	5 608	(12 555)	507
Closing balance	164 917	173 882	138 728	142 790	107 880	115 944	1 073 685	1 074 897

¹ 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
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Liabilities (continued)

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

	2020	2019
	\$'000	\$'000
Cash Common Fund		
Net Unrealised Gains / (Losses)	80	238
Net Realised Gains / (Losses)	(72)	(34)
Total	8	204
Short Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	725	137
Net Realised Gains / (Losses)	(16)	-
Total	709	137
Long Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	975	928
Net Realised Gains / (Losses)	(39)	-
Total	936	928
Overseas Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(755)	638
Total	(755)	638
Australian Shares Common Fund		
Net Unrealised Gains / (Losses)	(10 479)	(8 671)
Net Realised Gains / (Losses)	369	-
Total	(10 110)	(8 671)
Overseas Shares Common Fund		
Net Unrealised Gains / (Losses)	(6 194)	8 411
Net Realised Gains / (Losses)	-	60
Total	(6 194)	8 471
Property Common Fund		
Net Unrealised Gains / (Losses)	(9 312)	5 620
Net Realised Gains / (Losses)	(714)	5
Total	(10 026)	5 625
Total net gain / (loss) on financial assets held at fair value through profit or loss	(25 432)	7 332

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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:

	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Cash Common Fund				
Distributions to unitholders	5 644	0.0132	10 472	0.0254
Undistributed income brought forward	(1 083)	-	(966)	-
Distributions payable	206	-	1 083	-
Total Distributions to unitholders	4 767		10 589	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Short Term Fixed Interest Common Fund				
Distributions to unitholders	684	0.0106	773	0.0122
Undistributable income brought forward	(414)	-	(359)	-
Distributions payable	178	-	414	-
Total Distributions to unitholders	448		828	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Long Term Fixed Interest Common Fund				
Distributions to unitholders	1 837	0.0185	1 846	0.0188
Undistributable income brought forward	(997)	-	(902)	-
Distributions payable	735	-	997	-
Total Distributions to unitholders	1 575		1 941	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Overseas Fixed Interest Common Fund				
Distributions to unitholders	950	0.0138	634	0.0093
Undistributable income brought forward	(812)	-	(384)	-
Distributions payable	1 280	-	812	-
Total Distributions to unitholders	1 418		1 062	

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Liabilities (continued)

	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Australian Shares Common Fund				
Distributions to unitholders	11 773	0.1179	19 853	0.2014
Undistributable income brought forward	(9 089)	-	(18 315)	-
Distributions payable	5 387	-	9 089	-
Total Distributions to unitholders	8 071		10 627	
Overseas Shares Common Fund				
Distributions to unitholders	3 824	0.0316	27 154	0.2275
Undistributable income brought forward	(3 824)	-	(16 152)	-
Distributions payable	1 415	-	3 824	-
Total Distributions to unitholders	1 415		14 826	
Property Common Fund				
Distributions to unitholders	2 894	0.0281	3 885	0.0383
Undistributable income brought forward	(2 148)	-	(3 303)	-
Distributions payable	906	-	2 148	-
Total Distributions to unitholders	1 652		2 730	

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 2020 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2020:

	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Common Fund Capital Distributions Payable				
Long Term Fixed Interest	25	0.0003	-	-
Australian Shares	5 388	0.0539	7 283	0.0739
Overseas Shares	1 202	0.0099	3 387	0.0284
Property	-	-	1 369	0.0135
	6 615		12 039	

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Other disclosures

5.1. Derivative financial instruments

The Public Trustee did not invest in derivative investments for the year ended 30 June 2020 (2019: \$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.

Reconciliation of net result to cash flows from operating activities

Cash Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	38 261	5 899
Balance as per the Statement of Cash Flows	38 261	5 899
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	4 775	10 793
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(8)	(204)
Amortisation of discounts and premiums	9	-
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 374	903
Increase / (Decrease) in payables and other liabilities	1	(11)
Adjustment for balance day transactions	8	4
Net cash provided by operating activities	6 159	11 485
Short Term Fixed Interest Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 156	30 179
Balance as per the Statement of Cash Flows	7 156	30 179
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 157	966
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(709)	(137)
Amortisation of discounts and premiums	(1)	(1)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(134)	38
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	313	866

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Other disclosures (continued)

Long Term Fixed Interest Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	14 064	23 327
Balance as per the Statement of Cash Flows	14 064	23 327
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	2 486	2 869
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(936)	(928)
Amortisation of discounts and premiums	46	68
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(3)	(50)
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	1 594	1 959
Overseas Fixed Interest Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	1 297	6 110
Balance as per the Statement of Cash Flows	1 297	6 110
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	663	1 700
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	755	(638)
Income reinvested and not received in cash	(108)	(53)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(600)	(410)
Net cash provided by operating activities	710	599
Australian Shares Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 601	13 212
Balance as per the Statement of Cash Flows	7 601	13 212
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(3 636)	1 956
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	10 110	8 671
Income reinvested and not received in cash	(615)	(563)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	3 560	5 567
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	9 420	15 631

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Other disclosures (continued)

Overseas Shares Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 727	5 390
Balance as per the Statement of Cash Flows	3 727	5 390
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(4 779)	10 921
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	6 194	(8 471)
Income reinvested and not received in cash	(406)	(392)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 000	5 818
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	2 010	7 876
Property Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 332	10 209
Balance as per the Statement of Cash Flows	3 332	10 209
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(8 223)	8 339
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	10 026	(5 625)
Income reinvested and not received in cash	(138)	(133)
Investment fees funded through unit redemption	103	-
Realignment of capital distribution relating to prior year	-	235
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 547	1 153
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	3 316	3 969

6. Changes in accounting policy

6.1. AASB 15 Revenue from Contracts with Customers

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 *Financial Instruments*.

6.2. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) approved on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

As the Common Fund financial statements have been prepared outside of this format, the presentation changes have not affected these financial statements

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.

The Public Trustee does not expect there to be 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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Measurement and Risk (continued)

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

	Note	2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	75 438	75 438	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	575 059	361 000	214 059	-
Unlisted unit trusts	3.2	454 053	-	454 053	-
Total		1 104 550	436 438	668 112	-
	Note	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	94 326	94 326	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	607 946	425 500	182 446	-
Unlisted unit trusts	3.2	457 382	-	457 382	-
Total		1 159 654	519 826	639 828	-

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.

During 2020 and 2019, the Public Trustee had no valuations categorised in level 3; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there was no changes in valuation technique.

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 98% 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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Measurement and Risk (continued)

Credit risk analysis

	2020	2019
	\$'000	\$'000
Cash Common Fund		
<i>Cash and short term investments</i>		
A1+	183 525	154 531
A1	66 008	79 534
A2	56 005	94 507
Cash at bank	38 261	5 899
Total cash and short term investments	343 799	334 471
<i>Long term investments</i>		
AA-	108 602	159 990
A+	1 511	4 542
BBB+	8 498	-
Total long term investments	118 611	164 532
Short Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	6 050	-
A1	2 005	4 013
A2	3 510	2 002
Cash at bank	7 156	30 179
Total cash and short term investments	18 721	36 194
<i>Long term investments</i>		
AA-	39 877	19 183
A-	-	2 986
A+	-	2 020
BBB+	6 987	-
BBB	-	3 518
Total long term investments	46 864	27 707
Long Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	15 604	4 015
A2	3 510	1 000
Cash at bank	14 064	23 327
Total cash and short term investments	33 178	28 342
<i>Long term investments</i>		
AAA	2 265	2 251
AA+	-	12 943
AA-	69 111	55 402
A-	-	1 991
BBB+	1 991	-
BBB	-	3 518
Total long term investments	73 367	76 105

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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. Derivatives are permitted for the purpose of portfolio management provided the fund is not geared.

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 and long term 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 three 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 six 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 through the profit or loss; resulting in no impact on equity.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Measurement and Risk (continued)

Cash Common Fund

		2020			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Carrying amount	Statement of Comprehensive Income			
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	38 261	(383)	383	-	-
Financial assets held at fair value through profit or loss	424 149	(4 241)	4 241	-	-
Total increase/(decrease)		(4 624)	4 624	-	-

Cash Common Fund

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

Short Term Fixed Interest

		2020			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Carrying amount	Statement of Comprehensive Income			
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	7 156	(72)	72	-	-
Financial assets held at fair value through profit or loss	58 429	(584)	584	-	-
Total increase/(decrease)		(656)	656	-	-

Short Term Fixed Interest

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

Long Term Fixed Interest

		2020			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Carrying amount	Statement of Comprehensive Income			
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	14 064	(141)	141	-	-
Financial assets held at fair value through profit or loss	92 481	(925)	925	-	-
Total increase/(decrease)		(1 066)	1 066	-	-

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Measurement and Risk (continued)

Long Term Fixed Interest

2019

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

Overseas Fixed Interest

2020

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	1 297	(13)	13	-	-
Financial assets held at fair value through profit or loss	58 006	-	-	(11 601)	5 801
Total increase/(decrease)		(13)	13	(11 601)	5 801

Overseas Fixed Interest

2019

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
	\$'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 increase/(decrease)		(61)	61	(10 630)	5 315

Australian Shares

2020

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	7 601	(76)	76	-	-
Financial assets held at fair value through profit or loss	156 902	-	-	(31 380)	15 690
Total increase/(decrease)		(76)	76	(31 380)	15 690

Australian Shares

2019

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
	\$'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 increase/(decrease)		(132)	132	(32 079)	16 040

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Measurement and Risk (continued)

Overseas Shares

		2020			
		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
Cash and cash equivalents	3 727	(37)	37	-	-
Financial assets held at fair value through profit or loss	134 231	-	-	(26 846)	13 423
Total increase/(decrease)		<u>(37)</u>	<u>37</u>	<u>(26 846)</u>	<u>13 423</u>

Overseas 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
Cash and cash equivalents	5 390	(54)	54	-	-
Financial assets held at fair value through profit or loss	138 038	-	-	(27 608)	13 804
Total increase/(decrease)		<u>(54)</u>	<u>54</u>	<u>(27 608)</u>	<u>13 804</u>

Property

		2020			
		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
Cash and cash equivalents	3 332	(33)	33	-	-
Financial assets held at fair value through profit or loss	104 914	-	-	(20 983)	10 491
Total increase/(decrease)		<u>(33)</u>	<u>33</u>	<u>(20 983)</u>	<u>10 491</u>

Property

		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
Cash and cash equivalents	10 209	(102)	102	-	-
Financial assets held at fair value through profit or loss	105 795	-	-	(21 159)	10 580
Total increase/(decrease)		<u>(102)</u>	<u>102</u>	<u>(21 159)</u>	<u>10 580</u>

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 2020

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 of financial instruments

On initial recognition, a financial asset / liability is classified as measured at amortised cost or at fair value through profit or loss as described in note 8.1.

Maturity analysis of financial assets and financial liabilities

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

Category of financial asset and financial liability	Note	2020 Carrying amount \$'000	2020 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	3.1	75 438	75 438	-	-
Advances to estates		4 100	4 100	-	-
Financial assets held at fair value through profit or loss	3.2	1 029 112	788 272	233 771	7 069
Other assets		12 339	12 339	-	-
Total financial assets		1 120 989	880 149	233 771	7 069
Financial liabilities					
Income distribution payable		10 107	10 107	-	-
Funds due to other Common Funds		37 177	37 177	-	-
Other liabilities		20	20	-	-
Total financial liabilities		47 304	47 304	-	-
2019					
Category of financial asset and financial liability	Note	2019 Carrying amount \$'000	2019 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
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	-	-
Total financial assets		1 181 706	911 362	263 329	7 015
Financial liabilities					
Income distribution payable		18 367	18 367	-	-
Funds due to other Common Funds		88 427	88 427	-	-
Other liabilities		15	15	-	-
Total financial liabilities		106 809	106 809	-	-