
The Trust Company Investment Funds

Annual Report
for the year ended 30 June 2023

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

The Trust Company Investment Funds Annual Report for the year ended 30 June 2023

Contents

	Page
Directors' report	2
Lead auditor's independence declaration	6
Statements of comprehensive income	7
Balance sheets	9
Statements of changes in equity	11
Statements of cash flows	13
Notes to the financial statements	15
Directors' declaration	55
Independent auditor's report to the unitholders	56

Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of The Trust Company Investment Funds, present their report together with the financial statements of The Trust Company Investment Funds (the Schemes) for the year ended 30 June 2023 and the auditor's report thereon.

The following are the Schemes included within this report:

Statutory name	Marketing Name	ARSN
The Trust Company Australian Share Fund	The Trust Company Australian Share Fund	093 447 137
The Trust Company Bond Fund	The Trust Company Fixed Interest Fund	093 447 600
The Trust Company Diversified Property Fund	The Trust Company Property Securities Fund	155 454 078
The Trust Company Philanthropy Fund	The Trust Company Philanthropy Fund	129 942 052
The Trust Company Share Imputation Fund	The Trust Company Share Imputation Fund	093 105 732

Responsible Entity

The Responsible Entity of The Trust Company Investment Funds is Perpetual Investment Management Limited (ABN 18 000 866 535). The Responsible Entity's registered office and principal place of business is Level 18, 123 Pitt Street, Sydney, NSW 2000.

Directors

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

A Apted (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

A Rozenauers (appointed 9 November 2022)

A Gazal (appointed 9 April 2020, resigned 9 November 2022)

Principal activities

The Schemes generally invest in (but are not limited to) Australian shares, property and fixed income securities.

The objective and investment strategy of the Schemes are disclosed in The Trust Company Investment Funds Product Disclosure Statement, with the exception for the Trust Company Philanthropy Fund whose objective and investment strategy are disclosed in the Trust Company Philanthropy Fund Product Disclosure Statement.

The Schemes did not have any employees during the year.

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

Directors' report (continued)

Review and results of operations

During the year, the Schemes' assets were invested in accordance with the investment objective and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The performance of the Schemes, as represented by the results of their operations, was as follows:

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$'000	\$'000	\$'000	\$'000
Profit/(loss)	<u>1,352,578</u>	<u>(438,095)</u>	<u>2,472</u>	<u>(4,036)</u>	<u>1,960</u>	<u>(3,701)</u>
Distributions paid and payable	<u>795,134</u>	<u>2,277,435</u>	<u>1,278</u>	<u>409</u>	<u>1,151</u>	<u>1,191</u>
Distributions (cents per unit)	<u>17.02</u>	<u>38.29</u>	<u>2.24</u>	<u>0.61</u>	<u>4.27</u>	<u>4.23</u>
	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss)	<u>32,050</u>	<u>(12,821)</u>	<u>2,845</u>	<u>(864)</u>		
Distributions paid and payable	<u>15,060</u>	<u>18,263</u>	<u>1,543</u>	<u>4,846</u>		
Distributions (cents per unit)	<u>3.96</u>	<u>4.92</u>	<u>15.35</u>	<u>42.30</u>		

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in *ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191*.

In June 2023 an IT security incident impacted a unit registry system provided by the Responsible Entity's third-party unit registry provider that resulted in an extended outage of the administration services provided to the Schemes. Subsequent to the incident, the unit registry system was restored in a secure environment and processing of unitholders' applications and redemptions has re-commenced from 21 June 2023.

Directors' report (continued)

Interests in the Schemes

The movement in units on issue in the Schemes during the year is disclosed in note 6 to the financial statements.

The value of the Schemes' assets and liabilities is disclosed on the balance sheets and derived using the basis set out in note 2 to the financial statements.

The Schemes, with the exception of the Trust Company Philanthropy Fund, are generally closed to new unitholders from 18 June 2014. However, the Responsible Entity may make these Schemes available to new unitholders at its discretion.

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (i) the operations of the Schemes in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Schemes in future financial years.

Likely developments and expected results of operations

The Schemes will continue to be managed in accordance with the investment objective and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The results of the Schemes' operations will be affected by a number of factors, including the performance of investment market in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation

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

Fees paid to and interests held in the Schemes by the Responsible Entity or its related parties

Fees paid to the Responsible Entity and its related parties out of Schemes' properties during the year are disclosed in note 13 to the financial statements.

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

The number of interests in the Schemes held by the Responsible Entity or its related parties as at the end of the financial year are disclosed in note 13 to the financial statements.

Directors' report (continued)

Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Schemes in regards to insurance cover provided to either the officers of Perpetual Investment Management Limited or the auditor of the Schemes. So long as the officers of Perpetual Investment Management Limited act in accordance with the Schemes' Constitutions and the law, the officers remain indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditor of the Schemes is in no way indemnified out of the assets of the Schemes.

Rounding of amounts to the nearest thousand dollars

The Schemes are entities of a kind referred to in *ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191*. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with the legislative instrument, unless otherwise indicated.

Financial statements presentation

The Schemes are entities of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* in accordance with the legislative instrument, registered schemes with common Responsible Entity (or related Responsible Entities) are permitted to include their financial statements in adjacent columns in a single set of financial report.

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Director

Sydney

20 September 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Perpetual Investment Management Limited as the Responsible Entity of the following Schemes:

The Trust Company Australian Share Fund;

The Trust Company Share Imputation Fund;

The Trust Company Bond Fund;

The Trust Company Diversified Property Fund;

The Trust Company Philanthropy Fund.

I declare that, to the best of my knowledge and belief, in relation to the audit of Perpetual WealthFocus Investment Advantage Fund for the financial year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Andrew Reeves

Partner

Sydney

20 September 2023

Statements of comprehensive income

	Notes	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
		30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Investment income							
Dividend/distribution income		368,402	648,571	1,635	625	1,447	1,186
Interest income		7,860	194	11	1	16	1
Net gains/(losses) on financial instruments at fair value through profit or loss	3	1,079,356	(917,086)	1,085	(4,370)	589	(4,761)
Net foreign exchange gains/(losses)		29	(2,681)	-	-	1	(1)
Other income		15,157	924	-	-	-	-
Total investment income/(loss)		1,470,804	(270,078)	2,731	(3,744)	2,053	(3,575)
Expenses							
Responsible Entity's fees	13	96,307	127,877	230	261	80	105
Other expenses	4	21,919	40,140	29	31	13	21
Total expenses		118,226	168,017	259	292	93	126
Profit/(loss)		1,352,578	(438,095)	2,472	(4,036)	1,960	(3,701)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		1,352,578	(438,095)	2,472	(4,036)	1,960	(3,701)

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

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Statements of comprehensive income

	Notes	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Investment income					
Dividend/distribution income		16,807	19,957	767	1,332
Interest income		125	3	15	-
Net gains/(losses) on financial instruments at fair value through profit or loss	3	16,787	(31,084)	2,308	(1,838)
Net foreign exchange gains/(losses)		-	-	(2)	(6)
Other income		-	-	19	2
Total investment income/(loss)		33,719	(11,124)	3,107	(510)
Expenses					
Responsible Entity's fees	13	1,639	1,668	219	283
Other expenses	4	30	29	43	71
Total expenses		1,669	1,697	262	354
Profit/(loss)		32,050	(12,821)	2,845	(864)
Other comprehensive income		-	-	-	-
Total comprehensive income		32,050	(12,821)	2,845	(864)

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

Balance sheets

	Notes	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
		30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Assets							
Cash and cash equivalents	11(b)	138,501	673,340	-	1,105	772	741
Margin accounts		-	11,285	-	-	-	-
Financial assets at fair value through profit or loss	7	8,537,181	11,560,157	52,991	62,215	25,833	25,098
Receivables	9	56,715	52,919	1,272	101	417	391
Total assets		8,732,397	12,297,701	54,263	63,421	27,022	26,230
Liabilities							
Bank overdraft	11(b)	-	-	32	-	-	-
Financial liabilities at fair value through profit or loss	8	14,267	5,470	-	-	-	-
Distributions payable	5	614,793	1,965,919	872	34	767	772
Payables	10	8,033	110,948	21	51	389	293
Total liabilities		637,093	2,082,337	925	85	1,156	1,065
Net assets attributable to unitholders - equity	6	8,095,304	10,215,364	53,338	63,336	25,866	25,165

The above balance sheets should be read in conjunction with the accompanying notes.

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Balance sheets

	Notes	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Assets					
Cash and cash equivalents	11(b)	5,326	2,622	177	1,136
Margin accounts		-	-	-	11
Financial assets at fair value through profit or loss	7	289,773	275,782	19,235	23,466
Receivables	9	15,161	10,945	110	107
Total assets		310,260	289,349	19,522	24,720
Liabilities					
Financial liabilities at fair value through profit or loss	8	-	-	30	11
Distributions payable	5	10,193	13,233	1,181	4,226
Payables	10	150	193	106	225
Total liabilities		10,343	13,426	1,317	4,462
Net assets attributable to unitholders - equity	6	299,917	275,923	18,205	20,258

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Notes	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
		30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the year	6	10,215,364	13,930,631	63,336	68,846	25,165	34,273
Comprehensive income for the year							
Profit/(loss)		1,352,578	(438,095)	2,472	(4,036)	1,960	(3,701)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		1,352,578	(438,095)	2,472	(4,036)	1,960	(3,701)
Transactions with unitholders							
Applications	6	150,000	59,561	3,662	2,812	397	85
Redemptions	6	(2,950,478)	(1,077,610)	(15,137)	(4,622)	(1,380)	(5,366)
Units issued upon reinvestment of distributions	6	122,974	18,312	283	745	875	1,065
Distributions to unitholders	5, 6	(795,134)	(2,277,435)	(1,278)	(409)	(1,151)	(1,191)
Total transactions with unitholders		(3,472,638)	(3,277,172)	(12,470)	(1,474)	(1,259)	(5,407)
Total equity at the end of the year	6	8,095,304	10,215,364	53,338	63,336	25,866	25,165

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

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Statements of changes in equity

	Notes	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the year	6	275,923	306,927	20,258	28,948
Comprehensive income for the year					
Profit/(loss)		32,050	(12,821)	2,845	(864)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		32,050	(12,821)	2,845	(864)
Transactions with unitholders					
Applications	6	9,565	1,616	2,207	408
Redemptions	6	(2,561)	(1,536)	(5,915)	(3,430)
Units issued upon reinvestment of distributions	6	-	-	353	42
Distributions to unitholders	5, 6	(15,060)	(18,263)	(1,543)	(4,846)
Total transactions with unitholders		(8,056)	(18,183)	(4,898)	(7,826)
Total equity at the end of the year	6	299,917	275,923	18,205	20,258

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

Statements of cash flows

	Notes	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
		30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities							
Dividends/distributions received		382,599	649,533	861	1,466	1,422	1,293
Interest received		5,110	46	11	1	14	1
Other income received		24,530	15,380	22	21	8	9
Responsible Entity's fees paid		(106,270)	(138,462)	(250)	(282)	(86)	(115)
Other expenses paid		(28,651)	(65,732)	(58)	(21)	(28)	(31)
Net cash inflow/(outflow) from operating activities	11(a)	277,318	460,765	586	1,185	1,330	1,157
Cash flows from investing activities							
Proceeds from sale of investments		8,947,347	9,713,536	12,570	3,662	1,763	7,303
Payments for purchase of investments		(4,947,025)	(8,578,203)	(2,661)	(2,653)	(1,798)	(3,078)
Amount received from/(paid to) brokers for margin		11,285	(11,285)	-	-	-	-
Net cash inflow/(outflow) from investing activities		4,011,607	1,124,048	9,909	1,009	(35)	4,225
Cash flows from financing activities							
Proceeds from applications by unitholders		150,000	59,561	3,662	2,836	397	85
Payments for redemptions by unitholders		(2,950,478)	(1,077,610)	(15,137)	(4,622)	(1,380)	(5,366)
Distributions paid		(2,023,286)	(479,051)	(157)	(536)	(281)	(347)
Net cash inflow/(outflow) from financing activities		(4,823,764)	(1,497,100)	(11,632)	(2,322)	(1,264)	(5,628)
Net increase/(decrease) in cash and cash equivalents		(534,839)	87,713	(1,137)	(128)	31	(246)
Cash and cash equivalents at the beginning of the year		673,340	585,627	1,105	1,233	741	987
Cash and cash equivalents/(bank overdraft) at the end of the year	11(b)	138,501	673,340	(32)	1,105	772	741

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

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Statements of cash flows

	Notes	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities					
Dividends/distributions received		19,405	12,290	793	1,339
Interest received		110	2	13	-
Other income received		123	120	40	32
Responsible Entity's fees paid		(1,753)	(1,794)	(240)	(308)
Other expenses paid		(56)	(18)	(57)	(92)
Net cash inflow/(outflow) from operating activities	11(a)	<u>17,829</u>	<u>10,600</u>	<u>549</u>	<u>971</u>
Cash flows from investing activities					
Proceeds from sale of investments		19,971	23,509	17,134	20,740
Payments for purchase of investments		(23,975)	(26,150)	(10,708)	(17,090)
Amount received from/(paid to) brokers for margin		-	-	11	(11)
Net cash inflow/(outflow) from investing activities		<u>(4,004)</u>	<u>(2,641)</u>	<u>6,437</u>	<u>3,639</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		9,565	1,616	2,205	408
Payments for redemptions by unitholders		(2,586)	(1,511)	(5,915)	(3,526)
Distributions paid		(18,100)	(9,680)	(4,235)	(1,071)
Net cash inflow/(outflow) from financing activities		<u>(11,121)</u>	<u>(9,575)</u>	<u>(7,945)</u>	<u>(4,189)</u>
Net increase/(decrease) in cash and cash equivalents		2,704	(1,616)	(959)	421
Cash and cash equivalents at the beginning of the year		<u>2,622</u>	<u>4,238</u>	<u>1,136</u>	<u>715</u>
Cash and cash equivalents at the end of the year	11(b)	<u>5,326</u>	<u>2,622</u>	<u>177</u>	<u>1,136</u>

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

1 General information

These financial statements cover The Trust Company Investment Funds (the Schemes). The Schemes are registered managed investment schemes under the *Corporations Act 2001*. The Schemes are domiciled in Australia.

The Schemes, with the exception for the Trust Company Philanthropy Fund, are generally closed to new unitholders from 18 June 2014. However, the Responsible Entity may make these Schemes available to new unitholders at its discretion.

The Responsible Entity of the Schemes is Perpetual Investment Management Limited. The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors of the Responsible Entity on 20 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Schemes are for-profit entities for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Schemes' functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 15(d).

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Comparatives

Certain comparative figures have been restated to conform with the financial statement presentation adopted for the current year.

New standards, amendments and interpretations adopted by the Schemes

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the financial statements of the Schemes.

New standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2023 reporting period and have not been early adopted in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Schemes.

(b) Financial instruments

(i) Classification

The Schemes classify their financial instruments based on their business model for managing those investments and their contractual cash flow characteristics. The Schemes' investment portfolio is managed and its performance is evaluated on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes' policy is to evaluate the information about their investments on a fair value basis together with other related financial information.

Derivatives, equity securities and unlisted unit trusts are classified as financial assets at fair value through profit or loss.

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

(ii) Recognition/derecognition

The Schemes recognise financial assets and liabilities on the date they become party to the purchase contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised on the date the Schemes become party to the sale contractual agreement (trade date).

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

At initial recognition, a financial asset or liability is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently all financial assets and liabilities are measured at fair value without any deduction for estimated future selling costs. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 15(d).

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

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

The units can be put back to the Schemes at any time for cash based on the redemption price, which represents a proportionate share of the Schemes' net asset value. The carrying amount of these units at the redemption price represents the redemption amount payable at the reporting date if the unitholders exercise their right to put the units back to the Schemes.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Schemes classify the net assets attributable to unitholders as equity as they satisfy the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instruments are in the class of instruments that is subordinate to all other classes of instruments and the class features are identical;
- no contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Schemes, and it is not a contract settled in the Schemes' own equity instrument; and
- the total expected cash flows attributable to the puttable financial instruments over the life are based substantially on the profit or loss.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents include cash at bank, other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as liability in the balance sheets.

(e) Margin accounts

Margin accounts comprise cash held or owed as collateral for derivative transactions. The cash is held by or owed to the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents. For the purpose of the presentation, the cash and cash equivalents in the statements of cash flows for the comparative period has been represented to align with the current year presentation of margin accounts in the balance sheets.

(f) Receivables

Receivables include accrued income, application monies receivable and receivables for securities sold.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Schemes shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Schemes shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include accrued expenses, redemption monies owing by the Schemes and payables for securities purchased which are unpaid at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

2 Summary of significant accounting policies (continued)

(h) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Schemes' right to receive payment is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(b).

(i) Expenses

All expenses, including Responsible Entity's fees, are recognised in profit or loss on an accruals basis.

(j) Income tax

The Schemes are not subject to income tax provided the taxable income of the Schemes are attributed in full to their unitholders each financial year. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

The benefits of franking credits and foreign tax paid are passed on to unitholders, providing certain conditions are met.

(k) Distributions

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income and any other amounts determined by the Responsible Entity to unitholders by cash or reinvestment.

Distributions are payable as set out in the Schemes' Constitutions. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Schemes.

(l) Goods and Services Tax

The Goods and Services Tax (GST) is incurred on the cost of various services provided to the Schemes by third parties. The Schemes qualify for Reduced Input Tax Credit (RITC); hence expenses such as Responsible Entity's fees have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Payables are inclusive of GST. The net amount of GST recoverable is included in receivables in the balance sheets. Cash flows are included in the statements of cash flows on a gross basis.

2 Summary of significant accounting policies (continued)

(m) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date 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 profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in profit or loss on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(n) Rounding of amounts

The Schemes are entities of a kind referred to in *ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191*. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the legislative instrument, unless otherwise indicated.

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

Net gains/(losses) arising from changes in the fair value measurement comprise:

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	642,308	(2,581,875)	1,586	(4,321)	465	(5,698)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	437,048	1,664,789	(501)	(49)	124	937
Net gains/(losses) on financial instruments at fair value through profit or loss	1,079,356	(917,086)	1,085	(4,370)	589	(4,761)

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	16,588	(32,551)	1,465	(5,492)
Net realised gains/(losses) on financial instruments at fair value through profit or loss	199	1,467	843	3,654
Net gains/(losses) on financial instruments at fair value through profit or loss	16,787	(31,084)	2,308	(1,838)

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

4 Other expenses

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Transaction costs	16,850	24,410	-	-	-	2
Expense recovery	5,069	15,730	29	31	13	19
Total	21,919	40,140	29	31	13	21

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Transaction costs	-	-	32	50
Expense recovery	30	29	11	21
Total	30	29	43	71

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191.

5 Distributions to unitholders

The distributions for the year were as follows:

	The Trust Company Australian Share Fund*				The Trust Company Fixed Interest Fund			
	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2023	30 June 2023	30 June 2022	30 June 2022
	\$	CPU	\$	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	28,726	0.53	29,195	0.47	80	0.13	180	0.27
Distributions paid - December	133,151	2.51	229,714	3.82	20	0.03	155	0.23
Distributions paid - March	18,464	0.34	52,607	0.87	306	0.51	40	0.06
Distributions payable - June	614,793	13.64	1,965,919	33.13	872	1.57	34	0.05
Total distributions	795,134		2,277,435		1,278		409	

	The Trust Company Property Securities Fund				The Trust Company Philanthropy Fund			
	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2023	30 June 2023	30 June 2022	30 June 2022
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	140	0.52	89	0.29	923	0.24	1,012	0.27
Distributions paid - December	3	0.01	31	0.10	2,871	0.75	3,041	0.82
Distributions paid - March	241	0.89	299	0.98	1,073	0.28	977	0.26
Distributions payable - June	767	2.85	772	2.86	10,193	2.69	13,233	3.57
Total distributions	1,151		1,191		15,060		18,263	

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

5 Distributions to unitholders (continued)

	The Trust Company Share Imputation Fund			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Distributions paid - September	59	0.50	65	0.54
Distributions paid - December	263	2.35	479	3.99
Distributions paid - March	40	0.37	76	0.66
Distributions payable - June	1,181	12.13	4,226	37.11
Total distributions	1,543		4,846	

6 Net assets attributable to unitholders

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

	The Trust Company Australian Share Fund*				The Trust Company Fixed Interest Fund			
	30 June 2023 Units	30 June 2022 Units	30 June 2023 \$	30 June 2022 \$	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Opening balance	5,933,294	6,385,654	10,215,364	13,930,631	67,154	68,155	63,336	68,846
Applications	78,669	26,904	150,000	59,561	3,821	2,897	3,662	2,812
Redemptions	(1,574,327)	(487,563)	(2,950,478)	(1,077,610)	(15,792)	(4,637)	(15,137)	(4,622)
Units issued upon reinvestment of distributions	70,960	8,299	122,974	18,312	293	739	283	745
Distributions to unitholders	-	-	(795,134)	(2,277,435)	-	-	(1,278)	(409)
Profit/(loss)	-	-	1,352,578	(438,095)	-	-	2,472	(4,036)
Closing balance	4,508,596	5,933,294	8,095,304	10,215,364	55,476	67,154	53,338	63,336

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

6 Net assets attributable to unitholders (continued)

	The Trust Company Property Securities Fund				The Trust Company Philanthropy Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Opening balance	26,995	30,966	25,165	34,273	370,540	370,453	275,923	306,927
Applications	415	73	397	85	12,099	1,951	9,565	1,616
Redemptions	(1,409)	(4,991)	(1,380)	(5,366)	(3,190)	(1,864)	(2,561)	(1,536)
Units issued upon reinvestment of distributions	942	947	875	1,065	-	-	-	-
Distributions to unitholders	-	-	(1,151)	(1,191)	-	-	(15,060)	(18,263)
Profit/(loss)	-	-	1,960	(3,701)	-	-	32,050	(12,821)
Closing balance	26,943	26,995	25,866	25,165	379,449	370,540	299,917	275,923

	The Trust Company Share Imputation Fund			
	30 June 2023 Units'000	30 June 2022 Units'000	30 June 2023 \$'000	30 June 2022 \$'000
Opening balance	11,389	12,696	20,258	28,948
Applications	1,174	177	2,207	408
Redemptions	(3,025)	(1,502)	(5,915)	(3,430)
Units issued upon reinvestment of distributions	198	18	353	42
Distributions to unitholders	-	-	(1,543)	(4,846)
Profit/(loss)	-	-	2,845	(864)
Closing balance	9,736	11,389	18,205	20,258

6 Net assets attributable to unitholders (continued)

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual unit in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same right attaching to it as all other units of the Schemes.

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and daily redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Schemes' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Schemes' Constitutions, the Responsible Entity has the discretion to reject an application and to defer or adjust a redemption if the exercise of such discretion is in the best interests of unitholders.

7 Financial assets at fair value through profit or loss

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Derivatives						
Futures	-	280	-	-	-	-
Equity securities	8,537,181	11,559,877	-	-	25,833	25,098
Unlisted unit trusts	-	-	52,991	62,215	-	-
Total financial assets at fair value through profit or loss	8,537,181	11,560,157	52,991	62,215	25,833	25,098

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

7 Financial assets at fair value through profit or loss (continued)

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Equity securities	-	-	19,235	23,466
Unlisted unit trusts	<u>289,773</u>	<u>275,782</u>	<u>-</u>	<u>-</u>
Total financial assets at fair value through profit or loss	<u>289,773</u>	<u>275,782</u>	<u>19,235</u>	<u>23,466</u>

8 Financial liabilities at fair value through profit or loss

	The Trust Company Australian Share Fund*		The Trust Company Share Imputation Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000
Derivatives				
Foreign currency forward contracts	<u>14,267</u>	<u>5,470</u>	<u>30</u>	<u>11</u>
Total financial liabilities at fair value through profit or loss	<u>14,267</u>	<u>5,470</u>	<u>30</u>	<u>11</u>

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

9 Receivables

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$'000	\$'000	\$'000	\$'000
Dividends/distributions receivable	31,300	41,268	866	92	412	368
Withholding tax receivable	3,605	7,834	-	-	-	19
Interest receivable	2,899	149	-	-	2	-
Receivables for securities sold	16,292	-	400	-	-	-
Other receivables	2,619	3,668	6	9	3	4
Total receivables	56,715	52,919	1,272	101	417	391

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
Dividends/distributions receivable	7,104	9,702	64	83
Withholding tax receivable	-	-	9	16
Interest receivable	16	1	2	-
Applications receivable	-	-	2	-
Receivables for securities sold	8,000	1,200	27	-
Other receivables	41	42	6	8
Total receivables	15,161	10,945	110	107

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

10 Payables

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Responsible Entity's fees payable	7,639	10,555	19	22	7	7
Payables for securities purchased	-	94,544	-	-	381	271
Expense recovery payable	394	5,849	2	29	1	15
Total payables	8,033	110,948	21	51	389	293

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Responsible Entity's fees payable	147	141	18	23
Redemptions payable	-	25	-	-
Payables for securities purchased	-	-	87	190
Expense recovery payable	3	27	1	12
Total payables	150	193	106	225

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss)	1,352,578	(438,095)	2,472	(4,036)	1,960	(3,701)
(Increase)/decrease in dividends/distributions receivable	9,968	2,674	(774)	841	(44)	106
(Increase)/decrease in withholding tax receivable	4,229	(1,712)	-	-	19	1
(Increase)/decrease in interest receivable	(2,750)	(149)	-	-	(2)	-
(Increase)/decrease in other receivables	1,049	2,831	3	-	1	-
Increase/(decrease) in payables	(8,371)	(24,551)	(30)	10	(14)	(11)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,079,356)	917,086	(1,085)	4,370	(589)	4,761
Net foreign exchange (gains)/losses	(29)	2,681	-	-	(1)	1
Net cash inflow/(outflow) from operating activities	277,318	460,765	586	1,185	1,330	1,157
(b) Components of cash and cash equivalents						
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:						
Cash at bank	138,501	673,340	-	1,105	772	741
Bank overdraft	-	-	(32)	-	-	-
Total cash and cash equivalents	138,501	673,340	(32)	1,105	772	741
(c) Non-cash financing activities						
Distribution payments satisfied by the issue of units under the distribution reinvestment plans	122,974	18,312	283	745	875	1,065

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

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

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss)	32,050	(12,821)	2,845	(864)
(Increase)/decrease in dividends/distributions receivable	2,598	(7,667)	19	11
(Increase)/decrease in withholding tax receivable	-	-	7	(4)
(Increase)/decrease in interest receivable	(15)	(1)	(2)	-
(Increase)/decrease in other receivables	1	(3)	2	5
Increase/(decrease) in payables	(18)	8	(16)	(21)
Net (gains)/losses on financial instruments at fair value through profit or loss	(16,787)	31,084	(2,308)	1,838
Net foreign exchange (gains)/losses	-	-	2	6
Net cash inflow/(outflow) from operating activities	17,829	10,600	549	971
(b) Components of cash and cash equivalents				
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:				
Cash at bank	5,326	2,622	177	1,136
Total cash and cash equivalents	5,326	2,622	177	1,136
(c) Non-cash financing activities				
Distribution payments satisfied by the issue of units under the distribution reinvestment plans	-	-	353	42

12 Remuneration of auditors

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$
Amount received or due and receivable by KPMG:						
Audit of financial statements	14,634	14,071	7,912	7,607	14,634	14,071
Other regulatory assurance services	4,252	4,100	4,025	3,877	4,252	4,100
Total	18,886	18,171	11,937	11,484	18,886	18,171

	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Amount received or due and receivable by KPMG:				
Audit of financial statements	7,912	7,607	14,634	14,071
Other regulatory assurance services	4,025	3,877	4,252	4,100
Total	11,937	11,484	18,886	18,171

Audit fees were paid or payable by the Responsible Entity.

13 Related party transactions

Responsible Entity

The Responsible Entity of The Trust Company Investment Funds is Perpetual Investment Management Limited (ABN 18 000 866 535), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

The Schemes do not employ personnel in their own right. However, they are required to have an incorporated Responsible Entity to manage the activities of the Schemes and this is considered the key management personnel.

Key management personnel

(a) Directors

The directors of Perpetual Investment Management Limited during the year or since the end of the year and up to the date of this report were as follows:

A Apted (appointed 9 April 2020)

A Lo Proto (appointed 8 March 2022)

A Rozenauers (appointed 9 November 2022)

A Gazal (appointed 9 April 2020, resigned 9 November 2022)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Schemes, directly or indirectly, during the year or since the end of the year.

Key management personnel unitholdings

From time to time directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders of the Schemes.

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2023 (2022: Nil).

13 Related party transactions (continued)

Transactions with key management personnel

Key management personnel services are provided by Perpetual Investment Management Limited and included in the Responsible Entity's fees. There is no separate charge for these services. There was no compensation paid directly by the Schemes to any of the key management personnel during the year.

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Responsible Entity's fees and other transactions

Under the terms of the Schemes' Constitutions (as amended), the Responsible Entity is entitled to receive management fees. The Schemes incurred management fees (inclusive of GST and net of RITC) at the fee rates disclosed in the table below. The management fees are calculated by reference to the net asset value of the Schemes. Where the Schemes invest into other schemes, the Responsible Entity's fees are calculated after rebating management fees charged in the underlying schemes.

The Responsible Entity is also entitled to be reimbursed for the normal operating expenses incurred by the Schemes. There is no limit on the amount that can be recovered for expenses that are reasonably and properly incurred. However, the Responsible Entity charges the expense recovery at a fixed rate. Any amounts incurred exceeding the amounts charged under the fixed rate will not be recovered from the Schemes.

Schemes	Responsible Entity's fees % p.a.	Expense Recovery % p.a
The Trust Company Australian Share Fund	0.950	0.05
The Trust Company Fixed Interest Fund	0.720	0.05
The Trust Company Property Securities Fund	0.300	0.05
The Trust Company Philanthropy Fund	1.120	0.01
The Trust Company Share Imputation Fund	1.025	0.05

13 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

The transactions during the year and amounts payable at the reporting date between the Schemes and the Responsible Entity were as follows:

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees	96,307	127,877	229,982	261,283	79,779	104,732
Responsible Entity's fees payable	7,639	10,555	18,874	22,412	6,984	7,099
Expense Recovery	5,069	5,556	29,222	27,247	13,297	14,469
Expense Recovery payable	394	5,849	2,361	28,681	1,142	15,230
	The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees			1,639,185	1,668,366	219,159	282,785
Responsible Entity's fees payable			147,246	141,325	17,608	22,977
Expense Recovery			30,028	25,769	10,691	11,378
Expense Recovery payable			2,651	27,125	842	11,976

13 Related party transactions (continued)

Related party unitholdings

Parties related to the Schemes (including the Responsible Entity, its related parties and other schemes managed by the Responsible Entity) held units in the Schemes as follows:

	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
The Trust Company Fixed Interest Fund										
Unitholder										
The Trust Company Philanthropy Fund	38,340	69.1	2,478	5,305	860	41,167	61.3	2,665	262	242
The Trust Company Property Securities Fund										
Unitholder										
The Trust Company Philanthropy Fund	20,604	76.5	930	409	877	20,083	74.4	938	3,698	896

13 Related party transactions (continued)

Investments

The Schemes held investments in the following schemes which are also managed by the Responsible Entity or its related parties:

	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable	Number of units held	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions received/ receivable
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	'000	\$'000	%	'000	'000	\$'000	'000	\$'000	%	'000	'000	\$'000
The Trust Company Fixed Interest Fund												
Investments												
Perpetual Active Fixed Interest Fund	23,541	21,904	5.4	376	2,824	153	25,989	23,731	6.7	1,499	1,027	277
Perpetual Credit Income Fund	30,245	31,087	21.1	2,499	10,319	1,482	38,065	38,484	7.0	994	2,344	348
The Trust Company Philanthropy Fund												
Investments												
Perpetual Defensive Alternatives Pool Fund	35,975	32,795	8.2	2,241	3,181	2,031	36,915	33,650	8.6	4,014	-	2,298
Perpetual Growth Alternatives Pool Fund	18,281	28,031	3.2	529	1,340	816	19,092	28,382	3.4	2,078	2,192	745
Perpetual Income Share Fund	111,912	137,464	88.0	13,090	8,481	11,842	107,303	123,367	86.8	6,728	8,096	15,452
The Trust Company Fixed Interest Fund	38,340	36,863	69.1	2,478	5,305	860	41,167	38,827	61.3	2,665	262	242
The Trust Company Property Securities Fund	20,604	19,780	76.5	930	409	877	20,083	18,722	74.4	938	3,698	896
Trillium Global Sustainable Opportunities Fund - class W	26,247	34,840	49.6	2,103	4,800	381	28,944	32,834	31.7	5,164	791	324

14 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding control and the relevant activities are directed by means of contractual arrangements.

The Schemes consider all investments in unlisted unit trusts to be structured entities. The Schemes may invest in related and unrelated unlisted unit trusts for the purpose of capital appreciation and earning investment income.

The unlisted unit trusts are invested in accordance with the investment strategy by their respective investment managers. The return of the unlisted unit trusts is exposed to the variability of the performance of their investments. The unlisted unit trusts finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective trusts' net assets and distributions.

The Schemes' exposure to structured entities is disclosed in note 7. The fair value of these entities is included in financial assets at fair value through profit or loss in the balance sheets.

The Schemes' maximum exposure to loss from their interests in the structured entities is equal to the total fair value of their investments in these entities as there are no off balance sheet exposures relating to them. The Schemes' exposure to any risk from the structured entities will cease when these investments are disposed of.

The Schemes do not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances currently made to these entities.

Unconsolidated subsidiaries

The Schemes apply the investment entity exception to consolidation available under AASB 10 *Consolidated Financial Statements* and measure their subsidiaries at fair value through profit or loss.

The following unconsolidated structured entities are considered to be the subsidiaries of the Trust Company Philanthropy Fund at the reporting date:

	Fair value		Ownership interest	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	%	%
Perpetual Income Share Fund	137,464	123,367	88.0	86.8
The Trust Company Fixed Interest Fund	36,863	38,827	69.1	61.3
The Trust Company Property Securities Fund	19,780	18,722	76.5	74.4

The principal place of business for the above entities is Sydney, Australia.

15 Financial risk management

The Schemes' investing activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

A risk management framework has been established by the Responsible Entity of the Schemes to monitor the Schemes' compliance with their governing documents and to minimise risks in their investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage the investment activities. The Schemes are permitted to use derivative products. However, the use of derivatives must be consistent with the investment strategy and restrictions specified in the Schemes' governing documents.

All investment securities present a risk of loss of capital. The maximum loss of capital on investment securities is generally limited to the fair values of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The Schemes' asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Schemes' investment objective. Risk management techniques are used in the selection of investments. Asset managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classes and counterparties.

The Schemes use different methods to measure different types of risks to which they are exposed. These methods include sensitivity analysis in the case of currency risk, interest rate risk and price risk; and credit ratings analysis for credit risk.

(a) Market risk

(i) Currency risk

Currency risk arises as the fair value or future cash flows of monetary assets and liabilities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk and not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

The Schemes hold foreign currency forward contracts to protect the valuation of financial assets and liabilities against variations in the exchange rates. The Schemes do not designate any derivatives as hedges, and hence these derivative financial instruments are classified at fair value through profit or loss.

The Schemes did not have any significant exposure to currency risk (net of foreign currency exposure arising from derivatives) at the reporting date.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Schemes are exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Schemes to fair value interest rate risk.

The Schemes' exposure to interest rate risk is limited to their cash and cash equivalents, which earn/charge a floating rate of interest.

15 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Schemes are exposed to price risk predominantly through their investments for which prices in the future are uncertain.

The fair value of the Schemes' investments exposed to price risk was as follows:

	The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
	30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Derivatives	-	280	-	-	-	-
Equities	8,537,181	11,559,877	-	-	25,833	25,098
Units in fixed income trusts	-	-	52,991	62,215	-	-
			The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
			30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Equities			-	-	19,235	23,466
Units in fixed income trusts			36,863	38,827	-	-
Units in equity and other trusts			252,910	236,955	-	-

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The table presented in note 15(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

The following table summarises the sensitivity of the profit and net assets attributable to unitholders to price risk. The reasonably possible movements in the risk variables have been determined based on management's estimates, having regard to a number of factors, including historical correlation of the Schemes' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusual large market movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Schemes invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Sensitivity rates	Impact on profit/net assets attributable to unitholders					
		The Trust Company Australian Share Fund*		The Trust Company Fixed Interest Fund		The Trust Company Property Securities Fund	
		30 June 2023 \$	30 June 2022 \$	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Price risk							
Equities and equity related securities**	+10%	853,718	1,172,112	-	-	2,583	2,510
	-10%	(853,718)	(1,172,112)	-	-	(2,583)	(2,510)
Units in fixed income trusts	+5%	-	-	2,650	3,111	-	-
	-5%	-	-	(2,650)	(3,111)	-	-

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

**Include equities and units in equity and other trusts.

15 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis (continued)

	Sensitivity rates	Impact on profit/net assets attributable to unitholders			
		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Price risk					
Equities and equity related securities*	+10%	25,291	23,696	1,924	2,363
	-10%	(25,291)	(23,696)	(1,924)	(2,363)
Units in fixed income trusts	+5%	1,843	1,941	-	-
	-5%	(1,843)	(1,941)	-	-

*Include equities and units in equity and other trusts.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Schemes are exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents and receivables for securities sold. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

The Schemes determine credit risk and measure expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be low, as a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes.

(i) Derivative financial instruments

The risk of counterparty default for over the counter derivatives is minimised by applying minimum credit ratings to counterparties at the time of entering into a contract and ISDA agreements are put in place with counterparties.

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high grade credit rating.

15 Financial risk management (continued)

(b) Credit risk (continued)

(iii) *Receivables for securities sold*

All transactions in equity securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty. Payments on securities acquired are only made after the broker has received the securities. The trade will fail if either party fails to meet its obligations.

All transactions in unlisted unit trusts are settled/unitised when unit prices are issued. The risk of default is considered low except when trading in a suspended unlisted unit trust.

(c) Liquidity risk

Liquidity risk is the risk that the Schemes will not be able to meet their financial obligations as they fall due.

The Schemes are exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives.

The Schemes' investments in equity securities are considered to be readily realisable. The Schemes primarily hold investments in an active market which can be readily disposed. Only a limited proportion of these investments may not be actively traded on a stock exchange.

The Schemes' investments in unlisted unit trusts expose them to the risk that the responsible entity or the manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Schemes. However, these investments are considered readily realisable unless the unlisted unit trusts are declared illiquid or suspended.

The Schemes may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Schemes may not be able to quickly liquidate these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events.

In order to manage the Schemes' overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Schemes' investment criteria, including the assessment of saleability in different market conditions. The Schemes' investment strategy generally defines a minimum liquidity level for the Schemes which is monitored regularly.

15 Financial risk management (continued)

(c) Liquidity risk (continued)

The following tables summarise the contractual maturities of financial liabilities, including interest payments where applicable:

	The Trust Company Australian Share Fund*									
	30 June 2023					30 June 2022				
	Carrying amount	At call	less than 6 months	6-12 months	more than 12 months	Carrying amount	At call	less than 6 months	6-12 months	more than 12 months
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Non-derivative financial liabilities										
Distributions payable	614,793	-	614,793	-	-	1,965,919	-	1,965,919	-	-
Payables	8,033	-	8,033	-	-	110,948	-	110,948	-	-
Total	622,826	-	622,826	-	-	2,076,867	-	2,076,867	-	-
Derivative financial liabilities										
Foreign currency forward contracts	14,267	-	-	-	-	5,470	-	-	-	-
Outflow	-	-	746,402	-	-	-	-	922,086	-	-
Inflow	-	-	(732,135)	-	-	-	-	(916,616)	-	-
Total	14,267	-	14,267	-	-	5,470	-	5,470	-	-

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	The Trust Company Fixed Interest Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Bank overdraft	32	32	-	-	-	-	-	-	-	-
Distributions payable	872	-	872	-	-	34	-	34	-	-
Payables	21	-	21	-	-	51	-	51	-	-
Total	925	32	893	-	-	85	-	85	-	-

	The Trust Company Property Securities Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	767	-	767	-	-	772	-	772	-	-
Payables	389	-	389	-	-	293	-	293	-	-
Total	1,156	-	1,156	-	-	1,065	-	1,065	-	-

15 Financial risk management (continued)

(c) Liquidity risk (continued)

	The Trust Company Philanthropy Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	10,193	-	10,193	-	-	13,233	-	13,233	-	-
Payables	150	-	150	-	-	193	-	193	-	-
Total	10,343	-	10,343	-	-	13,426	-	13,426	-	-
	The Trust Company Share Imputation Fund									
	30 June 2023					30 June 2022				
	Carrying amount	Contractual cash flows				Carrying amount	Contractual cash flows			
		At call	less than 6 months	6-12 months	more than 12 months		At call	less than 6 months	6-12 months	more than 12 months
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Non-derivative financial liabilities										
Distributions payable	1,181	-	1,181	-	-	4,226	-	4,226	-	-
Payables	106	-	106	-	-	225	-	225	-	-
Total	1,287	-	1,287	-	-	4,451	-	4,451	-	-
Derivative financial liabilities										
Foreign currency forward contracts	30	-	-	-	-	11	-	-	-	-
Outflow	-	-	1,569	-	-	-	-	1,856	-	-
Inflow	-	-	(1,539)	-	-	-	-	(1,845)	-	-
Total	30	-	30	-	-	11	-	11	-	-

15 Financial risk management (continued)

(d) Fair value measurement

The Schemes classify fair value measurement of their financial assets and liabilities by level of the following fair value hierarchy:

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

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

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

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

Equity securities are valued at the last traded price. For the majority of these financial instruments, information provided by the independent pricing services is relied upon for valuation.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

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

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

The fair value of derivatives that are not exchange traded is estimated at the amount that would be received or paid to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and approximate yield curve) and the current creditworthiness of the counterparties.

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Schemes may make adjustments to the value based on the considerations such as: liquidity of the unlisted unit trust or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

The Schemes did not hold any financial instruments with fair value measurements using significant unobservable inputs (level 3) at 30 June 2023 and 30 June 2022.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements

The following tables present the Schemes' financial assets and liabilities by fair value hierarchy levels:

	The Trust Company Australian Share Fund*							
	30 June 2023				30 June 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Derivatives								
Futures	-	-	-	-	280	-	-	280
Equity securities	<u>8,537,181</u>	-	-	<u>8,537,181</u>	<u>11,559,877</u>	-	-	<u>11,559,877</u>
Total	<u>8,537,181</u>	-	-	<u>8,537,181</u>	<u>11,560,157</u>	-	-	<u>11,560,157</u>
Financial liabilities at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	<u>14,267</u>	-	<u>14,267</u>	-	<u>5,470</u>	-	<u>5,470</u>
Total	-	<u>14,267</u>	-	<u>14,267</u>	-	<u>5,470</u>	-	<u>5,470</u>

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements (continued)

	The Trust Company Fixed Interest Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	52,991	-	52,991	-	62,215	-	62,215
Total	-	52,991	-	52,991	-	62,215	-	62,215

	The Trust Company Property Securities Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Equity securities	25,811	22	-	25,833	25,098	-	-	25,098
Total	25,811	22	-	25,833	25,098	-	-	25,098

	The Trust Company Philanthropy Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Unlisted unit trusts	-	289,773	-	289,773	-	275,782	-	275,782
Total	-	289,773	-	289,773	-	275,782	-	275,782

15 Financial risk management (continued)

(d) Fair value measurement (continued)

Recognised fair value measurements (continued)

	The Trust Company Share Imputation Fund							
	30 June 2023				30 June 2022			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Equity securities	19,235	-	-	19,235	23,466	-	-	23,466
Total	19,235	-	-	19,235	23,466	-	-	23,466
Financial liabilities at fair value through profit or loss								
Derivatives								
Foreign currency forward contracts	-	30	-	30	-	11	-	11
Total	-	30	-	30	-	11	-	11

Transfers between levels

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

There were no transfers between levels as at 30 June 2023 and 30 June 2022.

16 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheets are disclosed in the first three columns of the tables below:

	30 June 2023			30 June 2023		30 June 2022			30 June 2022	
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
The Trust Company Australian Share Fund*	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Margin accounts	-	-	-	-	-	11,285	-	11,285	-	11,285
Derivatives	-	-	-	-	-	280	-	280	-	280
Total	-	-	-	-	-	11,565	-	11,565	-	11,565
Financial liabilities										
Derivatives	(14,267)	-	(14,267)	-	(14,267)	(5,470)	-	(5,470)	-	(5,470)
Total	(14,267)	-	(14,267)	-	(14,267)	(5,470)	-	(5,470)	-	(5,470)

*Stated to the nearest whole dollar as the Scheme does not meet the criteria set out in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

16 Offsetting financial assets and financial liabilities (continued)

	30 June 2023					30 June 2022				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Net amounts
The Trust Company Share Imputation Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Margin accounts	-	-	-	-	-	11	-	11	-	11
Total	-	-	-	-	-	11	-	11	-	11
Financial liabilities										
Derivatives	(30)	-	(30)	-	(30)	(11)	-	(11)	-	(11)
Total	(30)	-	(30)	-	(30)	(11)	-	(11)	-	(11)

Apart from the Schemes mentioned in this note, no other Schemes held financial assets or liabilities subject to offsetting arrangements at the reporting date.

Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Schemes do not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheets, but have been presented separately in this note.

17 Derivative financial instruments

A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign currency exchange rates, index of prices or rates, credit rating or credit index or other variables.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as foreign currency forward contracts. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Schemes' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Schemes against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Schemes.

The Schemes held the following derivative financial instruments during the year:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

(b) Foreign currency forward contracts

Foreign currency forward contracts are primarily used by the Schemes to hedge against currency risks on their non-Australian dollar denominated trading securities. The Schemes agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency forward contracts are valued at the prevailing bid price at the end of each reporting period.

Risk exposures and fair value measurements

Information about the Schemes' exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

18 Events occurring after the reporting period

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

19 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

Perpetual Investment Management Limited presents the Directors' declaration in respect of the following Schemes:

The Trust Company Australian Share Fund
The Trust Company Bond Fund
The Trust Company Diversified Property Fund
The Trust Company Philanthropy Fund
The Trust Company Share Imputation Fund

In the opinion of the directors of Perpetual Investment Management Limited, the Responsible Entity of the Schemes:

- (a) the financial statements and notes, set out on page 7 to 54, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2023 and of their performances for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Director

Sydney
20 September 2023



Independent Auditor's Report

To the respective unitholders of the following Schemes:

- The Trust Company Australian Share Fund;
- The Trust Company Share Imputation Fund;
- The Trust Company Bond Fund;
- The Trust Company Diversified Property Fund;
- The Trust Company Philanthropy Fund.

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinion

We have audited the **Financial Report** of the Schemes.

In our opinion, the accompanying **Financial Report** of each Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Reports** of the individual Schemes comprises the:

- Balance sheets as at 30 June 2023
- Statements of comprehensive income for the year then ended
- Statements of changes in equity, and statement of cash flows for the year then ended
- Notes to the financial statements including a summary of significant accounting policies
- Directors' Declarations.



Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Schemes in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in the issuer of the respective Scheme's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Perpetual Investment Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Schemes' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Reports.

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

KPMG

Andrew Reeves

Partner

Sydney

20 September 2023

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