

Advance Cash Multi-Blend Fund

ARSN 094 113 050

**Annual report - for the year ended
30 June 2021**

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These financial statements cover Advance Cash Multi-Blend Fund as an individual entity.

The Responsible Entity of Advance Cash Multi-Blend Fund is Advance Asset Management Limited (ABN 98 002 538 329). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000.

Directors' report

The directors of Advance Asset Management Limited, the Responsible Entity of the Advance Cash Multi-Blend Fund ("the Fund"), present their report together with the Fund's financial statements for the year ended 30 June 2021.

Principal activities

During the year, the Fund continued to invest in fixed interest securities, money market securities and term deposits in accordance with the provisions of the governing documents.

The Fund did not have any employees during the year.

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

Directors

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

Vicki Allen
Andrew Rutherford (appointed 23 March 2021)
Jonathan Sweeney
Susan Thomas (resigned 31 December 2020)
Katherine Vincent

Review and results of operations

The Fund is currently closed to investment by new investors, however, existing investors can continue to invest in the Fund.

Effective 1 November 2020, the Responsible Entity fee relating to the ordinary class was decreased from 0.19% per annum to 0.12% per annum (inclusive of GST and net of RITC).

Effective 1 December 2020, the Responsible Entity fee relating to the Advance Retirement Suite ("ARS") class was decreased from 0.49% per annum to 0.05% per annum (inclusive of GST and net of RITC).

During March 2021, unitholders in the Fund, whom are related to the Responsible Entity fully redeemed their holdings in the ARS class of the Fund as part of a restructure of their investments. As a result of these full redemptions, this class was terminated effective 20 March 2021.

The directors and management continue to assess the potential financial and other impacts to the Fund of the actions taken to address the coronavirus (COVID-19) global pandemic. The severity and length of the global pandemic and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility in investment performance during the year.

There have been no other significant changes to the Fund's operations since the previous financial year. The Fund continued to invest in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and the provisions of the Fund's Constitution.

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

| | Year ended | |
|---|-------------------------|-----------------|
| | 30 June 2021 | 30 June 2020 |
| Operating profit/(loss) before finance costs attributable to unitholders (\$'000) | 5,990 | 38,345 |

Directors' report (continued)

Review and results of operations (continued)

| | Year ended | |
|---|---|-------------------------------|
| | 30 June 2021 | 30 June 2020 |
| <i>Distributions - ordinary class</i> | | |
| Distributions paid and payable (\$'000) | 6,667 | 38,658 |
| Distributions (cents per unit) | 0.201 | 1.049 |
| | | |
| | Period 1 July 2020 - 20 March 2021 | Year ended 30 June 2020 |
| <i>Distributions - ARS class ⁽¹⁾</i> | | |
| Distributions paid and payable (\$'000) | 3 | 55 |
| Distributions (cents per unit) | 0.030 | 0.530 |

⁽¹⁾ Advance Retirement Suite ("ARS").

The key differences, if any, between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

| | As at | |
|--|-------------------------|-----------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| Redemption value of outstanding units | 3,485,115 | 3,644,756 |
| Adjustment for differences in valuation inputs | - | - |
| Net assets attributable to unitholders | 3,485,115 | 3,644,756 |

Significant changes in the state of affairs

Other than as noted in this report, in the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Directors' report (continued)

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund for insurance cover provided to the officers of the Responsible Entity.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in note 12 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 12 to the financial statements.

Interests in the Fund

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

The value of the Fund's assets and liabilities is disclosed in the balance sheet and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

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

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



Director



Director

Sydney
17 September 2021



Auditor's Independence Declaration

As lead auditor for the audit of Advance Cash Multi-Blend Fund for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Alexandra Richardson', written in a cursive style.

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
17 September 2021

PricewaterhouseCoopers, ABN 52 780 433 757

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Advance Cash Multi-Blend Fund
Statement of comprehensive income
For the year ended 30 June 2021

Statement of comprehensive income

| | Notes | Year ended | |
|---|-------|---------------------------|---------------------------|
| | | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
| Income | | | |
| Interest income | 5 | 13,299 | 50,814 |
| Net gains/(losses) on financial instruments held at fair value through profit or loss | | <u>(2,116)</u> | <u>(5,367)</u> |
| Total income/(loss) | | <u>11,183</u> | <u>45,447</u> |
| Expenses | | | |
| Responsible Entity's fees | 12(d) | 5,193 | 7,096 |
| Other operating expenses | | <u>-</u> | <u>6</u> |
| Total operating expenses | | <u>5,193</u> | <u>7,102</u> |
| Operating profit/(loss) | | <u>5,990</u> | <u>38,345</u> |
| Finance costs attributable to unitholders | | | |
| Distributions to unitholders | 8 | (6,670) | (38,713) |
| (Increase)/decrease in net assets attributable to unitholders | 7 | <u>680</u> | <u>368</u> |
| Profit/(loss) for the year | | - | - |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>-</u> | <u>-</u> |

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

Advance Cash Multi-Blend Fund
Balance sheet
As at 30 June 2021

Balance sheet

| | Notes | As at | |
|---|-------|---------------------------|---------------------------|
| | | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
| Assets | | | |
| Cash and cash equivalents | 9 | 84,961 | 291,964 |
| Unsettled sales | | 4,999 | - |
| Accrued income | | 1,317 | 2,272 |
| Receivables | | 23 | 35 |
| Financial assets held at fair value through profit or loss | 10 | 3,403,216 | 3,352,277 |
| Total assets | | 3,494,516 | 3,646,548 |
| Liabilities | | | |
| Unsettled purchases | | 8,562 | - |
| Distribution payable | 8 | 392 | 1,019 |
| Payables | | 447 | 773 |
| Total liabilities (excluding net assets attributable to unitholders) | | 9,401 | 1,792 |
| Net assets attributable to unitholders - liability | 7 | 3,485,115 | 3,644,756 |

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

Advance Cash Multi-Blend Fund
Statement of changes in equity
For the year ended 30 June 2021

Statement of changes in equity

| | Year ended | |
|--|-----------------|-----------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| Total equity at the beginning of the financial year | - | - |
| Profit/(loss) for the year | - | - |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | - | - |
| Transactions with owners in their capacity as owners | - | - |
| Total equity at the end of the financial year | - | - |

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

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

Advance Cash Multi-Blend Fund
Statement of cash flows
For the year ended 30 June 2021

Statement of cash flows

| | | Year ended | |
|---|---|------------------|-----------------|
| | | 30 June 2021 | 30 June 2020 |
| Notes | | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| | Proceeds from sale of financial instruments held at fair value through profit or loss | 10,250,074 | 9,232,205 |
| | Purchase of financial instruments held at fair value through profit or loss | (10,299,566) | (9,222,013) |
| | Interest received | 14,254 | 54,703 |
| | Other income received | 12 | 4 |
| | Responsible Entity's fees received/(paid) | (5,381) | (7,125) |
| | Payment of other expenses | - | (6) |
| | Net cash inflow/(outflow) from operating activities | (40,607) | 57,768 |
| 13(a) | | <u>(40,607)</u> | <u>57,768</u> |
| Cash flows from financing activities | | | |
| | Proceeds from applications by unitholders | 2,741,391 | 3,844,851 |
| | Payments for redemptions by unitholders | (2,907,058) | (3,752,419) |
| | Distributions paid | (729) | (3,829) |
| | Net cash inflow/(outflow) from financing activities | (166,396) | 88,603 |
| | | <u>(166,396)</u> | <u>88,603</u> |
| | Net increase/(decrease) in cash and cash equivalents | (207,003) | 146,371 |
| | | <u>(207,003)</u> | <u>146,371</u> |
| | Cash and cash equivalents at the beginning of the year | 291,964 | 145,593 |
| | Cash and cash equivalents at the end of the year | 84,961 | 291,964 |
| 9 | | <u>84,961</u> | <u>291,964</u> |
| | Non-cash transactions | | |
| 13(b) | | | |

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

1 General information

These financial statements cover Advance Cash Multi-Blend Fund ("the Fund") as an individual entity. The Fund was constituted on 9 August 2000.

The Responsible Entity of the Fund is Advance Asset Management Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000. The financial statements are presented in Australian currency.

During the year, the Fund continued to invest in fixed interest securities, money market securities, and term deposits in accordance with the provisions of the governing documents.

The financial statements were authorised for issue by the directors of the Responsible Entity on 17 September 2021. 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 Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

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

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Fund manages financial assets and liabilities at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be realised within 12 months, however an estimate cannot be reliably determined at the end of the reporting period.

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

(i) Compliance with International Financial Reporting Standards

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

(ii) Comparatives

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

(iii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Recognition/derecognition

The Fund recognises financial instruments ("investments") on the date it becomes party to the contractual agreement and recognises changes in the value of the financial instruments from this date.

Financial assets are derecognised when the contractual right to cash flows from the investments has expired or has been transferred, and the Fund has transferred substantially all of the risks and rewards of ownership.

(ii) Classification

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

For fixed interest securities, the contractual cash flows are solely principal and interest, however they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the objective of the Fund's business model. Consequently, fixed interest securities are also measured at fair value through profit or loss.

(iii) Measurement

At initial recognition, a financial asset is measured at fair value. Transaction costs associated with financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Refer to note 4 for further details on how the fair values of financial instruments are determined.

(iv) Offsetting financial instruments

Financial assets and liabilities may be offset, and the net amount reported, in the balance sheet 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.

There are no significant financial assets and liabilities subject to offsetting arrangements as at the end of each reporting period.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholder's option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of all unitholders. The units are classified as financial liabilities as the Fund has more than one class of units.

A unitholder can redeem units at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value.

The units are carried at the redemption amount that is payable at the end of the reporting period if the unitholders were to exercise their right to redeem the units in the Fund.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank, deposits held at call with financial institutions and investments in cash management trusts.

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

(e) Accrued income

Accrued income may include amounts owed to the Fund for interest. Interest is accrued from the time of last payment. Amounts are generally received within 45 days of being recorded as receivables.

(f) Unsettled sales/purchases

Unsettled sales/purchases represent receivables for securities sold and/or payables for securities purchased that have been contracted for but not yet delivered by the end of the reporting period.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on unsettled sales/purchases 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 Fund measures the loss allowance at an amount equal to 12-month expected credit losses. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

(g) Receivables

Receivables include such items as Reduced Input Tax Credits ("RITC") and application monies receivable from unitholders.

(h) Payables

Payables include liabilities, accrued expenses and redemption monies owing by the Fund which are unpaid as at the end of the reporting period.

Where the Responsible Entity has income that is distributable to unitholders, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(i) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss as it accrues.

Interest income and expenses are recognised in the statement of comprehensive income for all debt instruments using the effective interest method.

Interest income is recognised in the statement of comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at acquisition or origination date. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. Interest income includes the amortisation of any discount or premium or other differences between initial carrying amount of an interest-bearing instrument and its amount calculated on an effective interest rate basis.

(j) Expenses

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

2 Summary of significant accounting policies (continued)

(k) Transaction costs

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(l) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes or distributes (as appropriate) the entirety of its taxable income to its unitholders.

(m) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(n) Increase/(decrease) in net assets attributable to unitholders

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

(o) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Fund, such as management fees, has been passed onto the Fund. The Fund qualifies for RITC, hence fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Classes of units

The Fund had the following class of units as at 30 June 2021:

- ordinary class

The following class of units terminated during the year ended 30 June 2021:

- ARS class

All classes of units are exposed to the same underlying pool of assets. The unit classes are differentiated by the management fee structures as detailed in note 12.

(q) Use of estimates

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

For the majority of the financial instruments held, quoted market prices are readily available.

For certain other financial instruments, including unsettled sales and purchases and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

For more information on how fair value is calculated refer to note 4.

(r) New accounting standards and interpretations

A number of new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. None of these are expected to have a material effect on the financial statements of the Fund.

2 Summary of significant accounting policies (continued)

(s) Rounding of amounts

The Fund is an entity of the kind referred to in *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3 Financial risk management

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

The Fund's overall risk management program focuses on ensuring compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Derivative financial instruments may also be used (or are used) to alter certain risk exposures. Financial risk management is carried out by the investment manager in accordance with board approved policies.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risks and ratings analysis for credit risk.

The investment manager mitigates these financial risks through diversification and a careful selection of securities and other financial instruments within specified limits.

The Fund's performance exceptions to its benchmark are reported to the board on a regular basis.

The directors and management continue to assess the potential financial and other impacts to the Fund of the actions taken to address the coronavirus (COVID-19) global pandemic. The severity and length of the global pandemic and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility in investment performance during the year.

At the date of signing there is uncertainty regarding the depth and duration of the impacts on global and domestic economies, business activity and investment market indices from actions taken to address the COVID-19 global pandemic. The directors and management will continue to manage and monitor this situation.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices.

There is no significant direct price risk in this Fund.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk.

The Fund does not hold any monetary assets denominated in currencies other than the Australian dollar as at 30 June 2021 and 30 June 2020.

(iii) 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. Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets.

The Fund's interest bearing financial assets expose it to interest rate risk. Interest rate risk from these investments is reported as a component of interest rate risk for the purposes of the sensitivity analysis.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Interest rate risk is mitigated through ensuring activities are transacted in accordance with the investment mandate, overall investment strategy and within approved limits.

Exceptions to compliance are reported to the board on a regular basis.

The table presented in note 3(b) summarises sensitivity analysis to interest rate risk.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the operating profit and net assets attributable to unitholders to interest rate risk. The analysis is based on reasonably possible movements in the risk variables applied to the Fund's net assets. The reasonably possible movements in the risk variables have been determined based on management estimates, having regard to a number of factors including historical levels of changes in market indices, security prices and/or benchmark returns, interest rates and foreign exchange rates. However actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

The reasonably possible movements in the risk variables are based on long term averages consistent with the investing profile of the Fund.

| | Impact on operating profit/(loss)/Net assets attributable to unitholders | |
|---------------------|---|---------------------------------|
| | Interest rate risk | |
| | -0.10% (2020: -0.25%) | +0.50% (2020: +0.50%) |
| As at | \$'000 | \$'000 |
| 30 June 2021 | (2,893) | 14,463 |
| 30 June 2020 | (7,825) | 15,649 |

In determining the impact of an increase/(decrease) in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio based on market information.

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

Credit risk primarily arises from investments in debt securities and from trading in derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The assets of the Fund are not impaired.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these financial assets have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be insignificant to the Fund.

3 Financial risk management (continued)

(c) Credit risk (continued)

All transactions in securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal as the delivery of securities sold is only made once the broker has received payment. Payment is made on the purchase of securities once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Concentrations of direct credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved, and
- ensuring that transactions are undertaken with a number of counterparties.

Exceptions to compliance are reported to the board on a regular basis.

Fixed interest securities, money market securities and term deposits

The Fund invests in fixed interest securities, money market securities and term deposits which have an investment grade as rated by an independent rating agency.

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

| | As at | |
|--|-------------------------|-------------------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| Fixed interest securities, money market securities, term deposits and cash and cash equivalents | | |
| Rating | | |
| AAA | 5,004 | 119,936 |
| AA | 187,462 | 1,030,927 |
| A | 375,283 | 332,489 |
| BBB | 118,197 | 88,441 |
| A-1+ | 1,162,858 | 848,157 |
| A-1 | 1,059,748 | 624,795 |
| A-2 | 563,625 | 599,496 |
| Not rated | 16,000 | - |
| Total | 3,488,177 | 3,644,241 |

(d) Liquidity risk

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

The Fund is exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. The liquidity risk associated with the need to meet redemption requests is mitigated by maintaining adequate liquidity to fulfil usual redemption volumes. The Fund therefore primarily holds investments that are traded in an active market and can be disposed of readily. Only a limited proportion of its assets are not traded on an active market.

The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty.

Exceptions to the above are reported to the board on a regular basis.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The Fund invests into structured deposits and term deposits issued by Australian banks with contractual maturity dates other than at call. The current maturity dates are in the following bands:

As at 30 June 2021

| | Less than 1 month \$'000 | 1-6 months \$'000 | 7 to 12 months \$'000 | 1 to 3 years \$'000 | Total \$'000 |
|---------------------------------|--------------------------------|-------------------------|-----------------------------|---------------------------|-----------------|
| Structured or rolling deposits* | - | 175,000 | - | - | 175,000 |
| Total | - | 175,000 | - | - | 175,000 |

As at 30 June 2020

| | Less than 1 month \$'000 | 1-6 months \$'000 | 7 to 12 months \$'000 | 1 to 3 years \$'000 | Total \$'000 |
|---------------------------------|--------------------------------|-------------------------|-----------------------------|---------------------------|-----------------|
| Structured or rolling deposits* | - | 175,000 | - | - | 175,000 |
| Term deposits | - | 60,281 | - | - | 60,281 |
| Total | - | 235,281 | - | - | 235,281 |

* When each structured deposit is originally acquired a recall period is nominated. The recall period commences after the request to withdrawal is made to the bank. The table above shows the earliest maturity date if it had been recalled as at the end of the reporting period. As at the reporting date the investment manager has not requested a withdrawal of the structured deposits, however, should they be recalled they will move from structured deposits to a term deposit under the appropriate maturity profile. Upon recall and moving to a term deposit the interest rate lowers on that amount.

(i) Maturities of non-derivative financial liabilities

The non-derivative financial liabilities of the Fund comprise distribution payable, unsettled purchases, payables and net assets attributable to unitholders. These have no contractual maturities but are typically settled within 30 days.

Net assets attributable to unitholders are redeemable at the unitholder's option, however, as permitted under the governing documents, management may decide to delay payment of the redemption amount if it is in the best interests of unitholders.

4 Fair value measurement

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements 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 or indirectly (level 2), or
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investments are valued in accordance with the accounting policies set out in note 2 to the financial statements.

4 Fair value measurement (continued)

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

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.

Interest bearing financial assets are valued at quoted market prices at the end of the reporting period as provided by independent pricing services.

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

The fair value of financial assets that are not traded in an active market is determined by using quoted market prices, dealer quotes and/or valuation techniques.

Fixed interest securities, such as mortgage backed securities, corporate bonds and floating rate notes, are valued using quoted market prices or dealer quotes at the end of the reporting period for similar instruments.

Term deposits are recorded at cost with accrued interest being reflected in the accrued income. The recorded carrying amount approximates fair value.

(i) Recognised fair value measurements

The following table presents the financial assets measured and recognised at fair value by fair value hierarchy levels:

| As at 30 June 2021 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| Financial assets | | | | |
| Financial assets held at fair value through profit or loss: | | | | |
| Money market securities | 2,588,263 | - | - | 2,588,263 |
| Fixed interest securities | 5,037 | 634,916 | - | 639,953 |
| Term deposits | - | 175,000 | - | 175,000 |
| Total | 2,593,300 | 809,916 | - | 3,403,216 |

There were no financial liabilities measured and recognised at fair value as at 30 June 2021.

| As at 30 June 2020 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| Financial assets | | | | |
| Financial assets held at fair value through profit or loss: | | | | |
| Money market securities | 1,903,066 | - | - | 1,903,066 |
| Fixed interest securities | - | 1,213,930 | - | 1,213,930 |
| Term deposits | - | 235,281 | - | 235,281 |
| Total | 1,903,066 | 1,449,211 | - | 3,352,277 |

There were no financial liabilities measured and recognised at fair value as at 30 June 2020.

Transfers into and transfers out of the fair value hierarchy levels are recognised at the end of the reporting period.

4 Fair value measurement (continued)

(ii) Transfers between levels

There were no transfers between levels as at 30 June 2021 or 30 June 2020.

(iii) Valuation processes

Management undertakes regular portfolio reviews to identify securities that may not be actively traded or have stale security pricing and could be regarded as level 2 or level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identified securities. In the event that the security is not actively traded, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

(c) Fair values of non-financial instruments

Due to their short-term nature, the carrying value of receivables and payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material as at 30 June 2021 or 30 June 2020.

5 Interest income

| | Year ended | |
|--|-------------------------|-------------------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| Interest income from debt securities designated at fair value through profit or loss | 13,231 | 49,611 |
| Interest income from financial assets not at fair value through profit or loss: | | |
| Cash and cash equivalents | 68 | 1,203 |
| Total interest income | 13,299 | 50,814 |

6 Remuneration of auditors

| | Year ended | |
|---|-------------------------|-------------------------|
| | 30 June 2021 | 30 June 2020 |
| | \$ | \$ |
| <i>Audit and other assurance services</i> | | |
| Audit of financial statements | 16,121 | 15,652 |
| Other services* | 1,898 | 1,356 |
| Total remuneration for audit and other assurance services | 18,019 | 17,008 |

* Other services include compliance plan audit and controls reporting.

Audit fees were paid by the Responsible Entity for the years ended 30 June 2021 and 30 June 2020.

7 Net assets attributable to unitholders

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

| | 30 June 2021 No. '000 | 30 June 2020 No. '000 | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
|---|---------------------------------------|-----------------------------|-------------------------------------|---------------------------|
| Ordinary class | | | | |
| Opening balance | 3,567,163 | 3,437,897 | 3,635,012 | 3,503,137 |
| Applications | 3,424,821 | 3,769,444 | 3,490,236 | 3,843,315 |
| Redemptions | (3,577,605) | (3,678,671) | (3,646,022) | (3,750,294) |
| Units issued upon reinvestment of distributions | 6,445 | 38,493 | 6,568 | 39,223 |
| Increase/(decrease) in net assets attributable to unitholders | - | - | (679) | (369) |
| Closing balance | 3,420,824 | 3,567,163 | 3,485,115 | 3,635,012 |
| | 20 March 2021 No. '000 | 30 June 2020 No. '000 | 20 March 2021 \$'000 | 30 June 2020 \$'000 |
| ARS class | | | | |
| Opening balance | 9,751 | 11,373 | 9,744 | 11,365 |
| Applications | 215 | 739 | 215 | 739 |
| Redemptions | (9,966) | (2,361) | (9,958) | (2,361) |
| Increase/(decrease) in net assets attributable to unitholders | - | - | (1) | 1 |
| Closing balance | - | 9,751 | - | 9,744 |
| Total net assets attributable to unitholders | | | 3,485,115 | 3,644,756 |

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are two classes of unitholders in the Fund being ordinary and ARS.

Effective 20 March 2021, the ARS class of the Fund terminated as a result of the full redemption of the unitholders in this class.

(a) Capital risk management

Management manages the Fund's net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Management monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. In the event of a significant redemption, as permitted under the governing documents, management may decide to pay a special distribution and/or may delay payment of the redemption amount.

8 Distributions to unitholders

| | Year ended | | | |
|----------------------------|--|---|---|--|
| | 30 June 2021 \$'000 | 30 June 2021 CPU | 30 June 2020 \$'000 | 30 June 2020 CPU |
| Ordinary class | | | | |
| Distributions paid | | | | |
| - 31 July | 700 | 0.020 | 3,469 | 0.090 |
| - 31 August | 720 | 0.010 | 5,776 | 0.150 |
| - 30 September | 361 | 0.030 | 2,618 | 0.070 |
| - 31 October | 1,136 | 0.030 | 4,243 | 0.110 |
| - 30 November | 400 | 0.010 | 4,955 | 0.130 |
| - 31 December | 313 | 0.010 | 2,609 | 0.070 |
| - 31 January | 930 | 0.030 | 3,235 | 0.090 |
| - 28/29 February | 687 | 0.020 | 3,711 | 0.090 |
| - 31 March | 341 | 0.010 | 2,013 | 0.060 |
| - 30 April | 340 | 0.010 | 4,686 | 0.150 |
| - 31 May | 347 | 0.010 | 324 | 0.010 |
| Distribution payable | | | | |
| - 30 June | 392 | 0.011 | 1,019 | 0.029 |
| Total | 6,667 | 0.201 | 38,658 | 1.049 |
| | Period 1 July 2020 - 20 March 2021 \$'000 | Period 1 July 2020 - 20 March 2021 CPU | Year ended 30 June 2020 \$'000 | Year ended 30 June 2020 CPU |
| ARS class | | | | |
| Distributions paid | | | | |
| - 31 August | - | - | 6 | 0.050 |
| - 31 October | - | - | 5 | 0.050 |
| - 30 November | - | - | 11 | 0.100 |
| - 31 December | - | - | 5 | 0.050 |
| - 31 January | 1 | 0.010 | 7 | 0.070 |
| - 28/29 February | 2 | 0.020 | 6 | 0.060 |
| - 31 March | - | - | 4 | 0.040 |
| - 30 April | - | - | 11 | 0.110 |
| Total | 3 | 0.030 | 55 | 0.530 |
| Total distributions | 6,670 | | 38,713 | |

9 Cash and cash equivalents

| | As at | |
|--|-----------------|-----------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| Cash at bank | 16,188 | 237,927 |
| Deposits at call | 68,773 | 54,037 |
| Total cash and cash equivalents | 84,961 | 291,964 |

10 Financial assets held at fair value through profit or loss

| | As at | |
|---|----------------------|----------------------|
| | 30 June 2021 | 30 June 2020 |
| | Fair value \$'000 | Fair value \$'000 |
| Financial assets held at fair value through profit or loss | | |
| Money market securities | 2,588,263 | 1,903,066 |
| Fixed interest securities | 639,953 | 1,213,930 |
| Term deposits | 175,000 | 235,281 |
| Total financial assets held at fair value through profit or loss | 3,403,216 | 3,352,277 |

Money market securities

| | | |
|--|------------------|------------------|
| Commonwealth government treasury notes | - | 99,955 |
| Promissory notes | 615,872 | 278,933 |
| Negotiable certificates of deposits | 1,972,391 | 1,524,178 |
| Total money market securities | 2,588,263 | 1,903,066 |

Fixed interest securities

| | | |
|--|----------------|------------------|
| Other public sector securities | 5,037 | - |
| Other bonds* | 634,916 | 1,213,930 |
| Total fixed interest securities | 639,953 | 1,213,930 |

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

| | As at | |
|---|---|---|
| | 30 June 2021 Fair value \$'000 | 30 June 2020 Fair value \$'000 |
| Term deposits | | |
| Term deposits | - | 60,281 |
| Structured or rolling deposits | 175,000 | 175,000 |
| Total term deposits | 175,000 | 235,281 |
| Total financial assets held at fair value through profit or loss | 3,403,216 | 3,352,277 |

* Other bonds include mortgage backed securities, corporate bonds and floating rate notes.

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 3 and note 4.

11 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 exchange rate, index of prices or rates, credit rating, credit index or other variable.

Derivative transactions were entered into during the prior year, however no derivatives were held at the end of the reporting period (2020: \$Nil).

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 forward currency contracts, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability 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/or 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 occurs if the level of exposure to the markets exceeds the underlying value of the Fund.

The following derivative financial instruments were held during the year ended 30 June 2020:

(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. Futures contracts are collateralised by cash or marketable securities. Changes in the values of futures contracts are usually settled net daily with the exchange or broker.

12 Related party transactions

(a) Responsible Entity

The Responsible Entity of the Fund is Advance Asset Management Limited (ABN 98 002 538 329), a wholly owned subsidiary of Westpac Financial Services Group Ltd (ABN 50 000 326 312). The ultimate parent entity is Westpac Banking Corporation (ABN 33 007 457 141). The registered office of the Responsible Entity and the Fund is Level 18, 275 Kent Street, Sydney, NSW 2000.

(b) Directors

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

Vicki Allen
 Andrew Rutherford (appointed 23 March 2021)
 Jonathan Sweeney
 Susan Thomas (resigned 31 December 2020)
 Katherine Vincent

(c) Other key management personnel

| Name | Position | Employer |
|---------------|---|-----------------------------|
| Jason Yetton | Chief Executive, Specialist Businesses | Westpac Banking Corporation |
| Melinda Howes | Managing Director, BT Superannuation, Specialist Businesses | Westpac Banking Corporation |

There was no other person with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the financial year.

(d) Responsible Entity's/manager's fees and other transactions

For the year ended 30 June 2021, in accordance with the Fund's governing documents, the Fund incurred a total management fee (inclusive of GST, net of RITC available to the Fund) as follows:

- (i) Ordinary class: For the period 1 July 2020 to 31 October 2020, the Responsible Entity received a management fee of 0.19% per annum. This fee was decreased to 0.12% per annum from 1 November 2020 (2020: 0.19%), and
- (ii) ARS class: For the period 1 July 2020 to 30 November 2020, the Responsible Entity received a management fee of 0.49% per annum. This fee was decreased to 0.05% per annum from 1 December 2020 (2020: 0.49%).

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/(receivable) at the end of each reporting period between the Fund and the Responsible Entity were as follows:

| | 30 June 2021 \$'000 | 30 June 2020 \$'000 |
|--|------------------------------------|---------------------------|
| Management fees incurred by the Fund | 5,193 | 7,096 |
| Aggregate amounts payable/(receivable) to/(from) the Responsible Entity at the end of the reporting period | 349 | 537 |

12 Related party transactions (continued)

(e) Related party unitholdings

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

30 June 2021

| Unitholder | Number of units held opening | Number of units held closing | Interest held | Number of units acquired | Number of units disposed | Distributions paid/payable by the Fund |
|-----------------------------------|------------------------------------|------------------------------------|------------------|--------------------------------|--------------------------------|--|
| | 000's Units | 000's Units | % | 000's Units | 000's Units | \$'000 |
| BT Multi-manager Accumulator Fund | 1,174,051 | 1,405,858 | 41.10 | 1,277,737 | (1,045,930) | 2,477 |
| BT Multi-manager Protector Fund | 718,568 | 646,293 | 18.89 | 549,781 | (622,056) | 1,093 |
| St.George Life Limited#* | 56 | 58 | - | 2 | - | - |
| Total | 1,892,675 | 2,052,209 | 59.99 | 1,827,520 | (1,667,986) | 3,570 |

Holding less than 0.01%

* Distribution less than \$500.

30 June 2020

| Unitholder | Number of units held opening | Number of units held closing | Interest held | Number of units acquired | Number of units disposed | Distributions paid/payable by the Fund |
|-----------------------------------|------------------------------------|------------------------------------|------------------|--------------------------------|--------------------------------|--|
| | 000's Units | 000's Units | % | 000's Units | 000's Units | \$'000 |
| BT Multi-manager Accumulator Fund | 1,253,783 | 1,174,051 | 32.82 | 1,056,905 | (1,136,637) | 14,236 |
| BT Multi-manager Protector Fund | 635,151 | 718,568 | 20.09 | 808,416 | (724,999) | 7,157 |
| St.George Life Limited# | 56 | 56 | - | - | - | - |
| Total | 1,888,990 | 1,892,675 | 52.91 | 1,865,321 | (1,861,636) | 21,393 |

Holding less than 0.01%

Other funds related to the Responsible Entity hold units in the Fund but these funds do not meet the definition of related parties under the Australian Accounting Standards and as such unitholdings are not required to be disclosed.

12 Related party transactions (continued)

(f) Transactions with key management personnel

Key management personnel services are provided by Advance Asset Management Limited and included in the management fees disclosed in (d) above. There is no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

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

Key management personnel unitholdings

At 30 June 2021, no key management personnel held units in the Fund (2020: Nil).

(g) Investments

(i) Other investments in related parties

The Fund held the following other investments in related parties:

30 June 2021

| Related party | Fair value of investment \$'000 | Interest held % | Income received \$'000 | Income receivable \$'000 |
|--|------------------------------------|--------------------|---------------------------|-----------------------------|
| Westpac Banking Corporation - fixed interest securities* | 50,941 | N/A | 925 | 153 |
| Westpac Banking Corporation - money market securities* | 134,976 | N/A | - | - |
| Total | 185,917 | | 925 | 153 |

30 June 2020

| Related party | Fair value of investment \$'000 | Interest held % | Income received \$'000 | Income receivable \$'000 |
|--|------------------------------------|--------------------|---------------------------|-----------------------------|
| Westpac Banking Corporation - fixed interest securities* | 124,426 | N/A | 3,027 | 432 |
| Westpac Banking Corporation - money market securities* | 14,993 | N/A | - | - |
| Westpac Banking Corporation - deposits at call* | - | N/A | 317 | - |
| Total | 139,419 | | 3,344 | 432 |

* Interest was earned at normal commercial rates.

(h) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at the end of the reporting period.

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

| | Year ended | |
|---|-----------------|-----------------|
| | 30 June 2021 | 30 June 2020 |
| | \$'000 | \$'000 |
| (a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities | | |
| Operating profit/(loss) for the year | 5,990 | 38,345 |
| Proceeds from sale of financial instruments held at fair value through profit or loss | 10,250,074 | 9,232,205 |
| Purchase of financial instruments held at fair value through profit or loss | (10,299,566) | (9,222,013) |
| Net (gains)/losses on financial instruments held at fair value through profit or loss | 2,116 | 5,367 |
| Net change in accrued income and receivables | 967 | 3,893 |
| Net change in payables | (188) | (29) |
| Net cash inflow/(outflow) from operating activities | (40,607) | 57,768 |

(b) Non-cash transactions

| | | |
|--|-----------|--------|
| Distribution payments satisfied by the issue of units under the distribution reinvestment plan | 6,568 | 39,223 |
| Applications received as non-cash contributions | 749,060 | - |
| Redemptions settled as non-cash withdrawals | (749,060) | - |

14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the balance sheet as at 30 June 2021 or on the results and cash flows of the Fund for the year ended on that date.

15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2021 and 30 June 2020.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 28 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Director



Director

Sydney
17 September 2021



Independent auditor's report

To the unitholders of Advance Cash Multi-Blend Fund

Our opinion

In our opinion:

The accompanying financial report of Advance Cash Multi-Blend Fund (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Alexandra Richardson'.

Alexandra Richardson
Partner

Sydney
17 September 2021