

# Tasmanian Perpetual Trustees



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## Managed Investment Schemes

**Financial Report | Year ended 30 June 2019**

**Tasmanian Perpetual Trustees Limited | ABN 97 009 475 629**

## This Report comprises these Managed Investment Schemes:

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## Directors' Report

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The Directors of Tasmanian Perpetual Trustees Limited, the Responsible Entity of the following Managed Investment Schemes ('the Funds'), submit their report for the Funds for the year ended 30 June 2019:

- Tasmanian Perpetual At Call Fund.
- Tasmanian Perpetual Fixed Term Fund.
- Tasmanian Perpetual Long Term Fund.
- Tasmanian Perpetual Select Mortgage Fund.
- Tasmanian Perpetual Mortgage Fund.
- Tasmanian Perpetual Australian Share Fund.
- Tasmanian Perpetual Diversified Property Fund.
- Tasmanian Perpetual Balanced Fund.
- Tasmanian Perpetual International Share Fund.
- Tasmanian Perpetual Equity Fund.

Tasmanian Perpetual Trustees Limited ABN 97 009 475 629 is a wholly owned subsidiary of MyState Limited ABN 26 133 623 962.

### Directors

The names of the Directors of the Responsible Entity in office during the year and until the date of this report were:

- Mr Miles Hampton, BEc(Hons), FCPA, FAICD, Chairman of the Board;
- Mr Melos Sulicich, BBus, GAICD, SA FIN. Managing Director;
- Mr Peter Armstrong, BEc(Hons), DipED, Dip FP, CPA, FAICD (resigned 22 February 2019);
- Mr Robert Gordon, BSc, MIFA, MAICD, FAMI;
- Mr Warren Lee, BCom, CA;
- Ms Sibylle Krieger, LLB (Hons), LLM, FAICD, MBA;
- Mr Stephen Lonie, BCom, MBA, FCA, FFin, FAICD, FIMCA; and
- Ms Andrea Waters, BCom, FCA, GAICD.

The Directors were in office from the beginning of the year until the date of this report unless otherwise stated. All the Directors of the Responsible Entity are non-executive Directors, unless otherwise stated.

### Principal activities

The Funds are registered managed investment schemes that seek to deliver consistently competitive returns to investors through the disciplined implementation of their diversified investment strategies, which are set in accordance with each Fund's Product Disclosure Statement and Constitution.

The Funds generally invest in a range of assets which include:

- First mortgages over real estate in Australia, with the predominant geography being Tasmania.
- Cash and Fixed interest securities, which include money market instruments such as term deposits, negotiable certificates of deposit, credit market securities such as floating rate notes, bonds and mortgage backed securities.
- Australian unit trusts, invested in the shares of diversified leading international and/or Australian companies, selected for their ability to grow in value over time and pay franked dividends.
- There has been no significant changes in the nature of these investing activities during the year.

### Scheme information

The Funds are Australian registered schemes. Tasmanian Perpetual Trustees Limited, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The basis for valuation of the Fund's assets are disclosed in note 3 to the financial statements. Information about units on issue in the Funds are presented in note 9. Fees received by the Responsible Entity from the income of the Funds are disclosed in note 11.

The registered office of the Responsible Entity is located at 137 Harrington Street, Hobart, Tasmania, 7000.

### Significant changes in the state of affairs

There have been no significant changes in the nature of the Funds activities during the year.

## Review and results of operations

The investment of funds is made in accordance with the Product Disclosure Statement and Fund Constitution. The Funds continue to offer investors a competitive return in the marketplace. The Board has a comprehensive compliance and risk management regime to monitor the Funds' operations, ensuring that investors can have confidence in the security of their investments.

The following tables set out the performance metrics of the group of Funds in comparison to the relevant Benchmark.

### Cash Fund

| Fund (Net)   | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|--------------|----------|----------|--------|------------|------------|
| At Call Fund | 1.37%    | 1.49%    | 1.54%  | 1.49%      | 1.75%      |
| Benchmark    | 1.80%    | 1.95%    | 1.96%  | 1.86%      | 2.07%      |

[Benchmark is the Bloomberg Bank Bill Index. Both the Fund and Benchmark include fees and charges and assume income is not reinvested.]

### Income Funds

| Fund (Net)           | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|----------------------|----------|----------|--------|------------|------------|
| Mortgage Fund        | 2.89%    | 2.99%    | 3.10%  | 3.11%      | 3.35%      |
| Fixed Term Fund      | 2.91%    | 3.00%    | 3.06%  | 2.96%      | 3.17%      |
| Long Term Fund       | 2.88%    | 3.00%    | 3.08%  | 2.95%      | 3.19%      |
| Select Mortgage Fund | 2.90%    | 3.02%    | 3.10%  | 3.08%      | 3.25%      |
| Benchmark            | 2.25%    | 2.40%    | 2.44%  | 2.48%      | 2.74%      |

[Benchmark is the average quarterly Cash Rate +100 points. Both the Funds and Benchmark returns include fees and charges and assume income is not reinvested.]

### Unitised Funds

| Fund (Net)                | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|---------------------------|----------|----------|--------|------------|------------|
| Diversified Property Fund | 3.00%    | 16.33%   | 14.86% | 7.18%      | 10.56%     |
| Benchmark                 | 3.20%    | 16.95%   | 15.72% | 7.50%      | 10.76%     |

[Benchmark is composite of 50% S&P/ASX 300 A-REIT Index, 15% FTSE EPRA/NAREIT Developed ex Aust Rental Index, 15% FTSE EPRA/NAREIT Developed Index, 15% S&P Global Infrastructure Index AUD Hedged and 5% Bloomberg AusBond Bank Bill Index. Both the Fund and Benchmark returns assume income is reinvested.]

| Fund (Net)  | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|-------------|----------|----------|--------|------------|------------|
| Equity Fund | 5.25%    | 14.23%   | 7.90%  | 8.01%      | 7.07%      |
| Benchmark   | 7.02%    | 18.28%   | 11.16% | 12.62%     | 9.69%      |

[Benchmark is a composite benchmark weighted equivalent to the Fund target asset allocation and comprising: ASX 300 Accumulation Index; MSCI International Total Accumulated Return in AUD World Index ex Aust; and, the UBS Australian Bank Bill Index. Both the Fund and Benchmark returns assume income is reinvested.]

| Fund (Net)               | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|--------------------------|----------|----------|--------|------------|------------|
| International Share Fund | 4.12%    | 13.88%   | 9.24%  | 11.46%     | 9.48%      |
| Benchmark                | 4.52%    | 16.24%   | 10.08% | 14.06%     | 11.76%     |

[Benchmark is a composite consisting of 70% weighting to the MSCI World Index (ex Australia), with net dividends reinvested in Australian dollars, 25% MSCI World Index (ex Australia), with net dividends reinvested hedged to Australian dollars and 5% Bloomberg AusBond Bank Bill Index. Both the Fund and Benchmark returns assume income is reinvested.]

| Fund (Net)            | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|-----------------------|----------|----------|--------|------------|------------|
| Australian Share Fund | 6.09%    | 15.78%   | 8.32%  | 7.44%      | 6.81%      |
| Benchmark             | 8.57%    | 20.03%   | 13.78% | 9.58%      | 6.99%      |

[Benchmark is a composite of 95% FTSE ASFA High Dividend Yield Index and 5% Bloomberg AusBond Bank Bill Index. Both the Fund and Benchmark returns assume income is reinvested.]

| Fund (Net)    | 3 Months | 6 Months | 1 Year | 3 Years pa | 5 Years pa |
|---------------|----------|----------|--------|------------|------------|
| Balanced Fund | 2.87%    | 9.52%    | 5.04%  | 7.24%      | 6.09%      |
| Benchmark     | 4.84%    | 12.83%   | 10.15% | 11.03%     | 9.51%      |

[Benchmark is a composite consisting of 20 % Bloomberg AusBond Composite 0+ Yr Index, 15% RBA Cash Rate + 1%, 30% S&P ASX 200 Accumulation Index, 20% MSCI World ex Australia Net returns Unhedged Index, 10% S&P Global Infrastructure Index \$A Unhedged Net Total return and 5% Bloomberg AusBond Bank Bill Index. Both the Fund and Benchmark returns assume income is reinvested.]

**Likely developments and expected results**

A review has commenced on the Funds, with a view to implementing changes to fund structures, introducing more contemporary products, and digital technology solutions for the benefit of investors. The investment strategies of the Funds will be maintained in accordance with each Fund's Constitution and Investment Objectives.

**Indemnification and insurance of directors and officers**

During the financial year, the Responsible Entity paid a premium insuring the Directors and Officers of the Responsible Entity against liabilities incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of details of the insurance cover and the premium paid.

The Responsible Entity has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Responsible Entity or of any related body corporate against a liability incurred as such by an Officer or Auditor.

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

On 18 July 2019, the Board passed a resolution to close the Tasmanian Perpetual Mortgage Fund. The closure will occur after the September 2019 distribution, with the termination to be completed no later than 15 November 2019. Other than the announced closure of this Fund, since 30 June 2019, there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Funds.

**Environmental regulation and performance**

The operation of the Funds is not subject to any particular or significant environmental regulation under a law of the Commonwealth, a State, or a Territory. There have been no known breaches of any other environmental requirement applicable to the Funds.

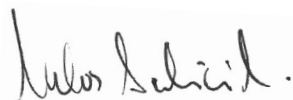
**Auditor's independence declaration**

The Auditor's Independence Declaration is set out on the following page and forms part of the Directors' Report for the year ended 30 June 2019.

Signed in accordance with a resolution of the Directors



**Miles Hampton**  
Chairman



**Melos Sulicich**  
Managing Director and Chief Executive Officer

Hobart, 21 August 2019

## Auditor's Independence Declaration to the Directors of Tasmanian Perpetual Trustees Limited, the Responsible Entity for the Funds

We have audited the financial report of the following Funds ('the Funds'):

- Tasmanian Perpetual At Call Fund
- Tasmanian Perpetual Fixed Term Fund
- Tasmanian Perpetual Long Term Fund
- Tasmanian Perpetual Select Mortgage Fund
- Tasmanian Perpetual Balanced Fund
- Tasmanian Perpetual Equity Fund
- Tasmanian Perpetual Australian Share Fund
- Tasmanian Perpetual International Share Fund
- Tasmanian Perpetual Diversified Property Fund
- Tasmanian Perpetual Mortgage Fund

In relation to our audit of the financial report of the Funds for the financial year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



**JOANNE DOYLE**

Partner  
Wise Lord & Ferguson

Date: 21 August 2019



## STATEMENT OF COMPREHENSIVE INCOME

### For the year ended 30 June 2019

|  | Note | Tasmanian Perpetual<br>At Call Fund |                  | Tasmanian Perpetual<br>Fixed Term Fund |                   | Tasmanian Perpetual<br>Long Term Fund |                   | Tasmanian Perpetual<br>Select Mortgage Fund |                  | Tasmanian Perpetual<br>Mortgage Fund |                |
|--|------|-------------------------------------|------------------|--|-------------------|---------------------------------------|-------------------|---|------------------|--------------------------------------|----------------|
|  |      | 2019<br>\$                          | 2018<br>\$       | 2019<br>\$                             | 2018<br>\$        | 2019<br>\$                            | 2018<br>\$        | 2019<br>\$                                  | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$     |
| <b>Revenue</b>   |      |                                     |                  |  |                   |                                       |                   |   |                  |                                      |                |
| Interest revenue   |      |                                     |                  |  |                   |                                       |                   |   |                  |                                      |                |
| - Cash & cash equivalents  |      | 273,578                             | 337,487          | 212,192                                | 264,548           | 223,809                               | 275,822           | 2,501,626                                   | 2,118,884        | 20,555                               | 20,575         |
| - Investments  |      | 6,240,543                           | 5,588,570        | 7,570,214                              | 6,377,801         | 6,940,845                             | 6,410,828         | 4,011,479                                   | 2,989,196        | 266,730                              | 278,781        |
| - Loans and advances   |      | -                                   | -                | 5,826,463                              | 6,206,081         | 4,776,608                             | 5,103,679         | 4,344,437                                   | 4,300,626        | -                                    | -              |
| Distribution income  |      | -                                   | -                | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -              |
| Change in the fair value of investments                            |      | -                                   | -                | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -              |
| Net gain / (loss) on disposal of units at cost in unit trusts      |      | -                                   | -                | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -              |
| <b>Total revenue</b>   |      | <b>6,514,121</b>                    | <b>5,926,057</b> | <b>13,608,869</b>                      | <b>12,848,430</b> | <b>11,941,262</b>                     | <b>11,790,329</b> | <b>10,857,542</b>                           | <b>9,408,706</b> | <b>287,285</b>                       | <b>299,356</b> |
| <b>Expenses</b>  |      |                                     |                  |  |                   |                                       |                   |   |                  |                                      |                |
| Responsible Entity fees  | 5    | 1,318,147                           | 1,378,018        | 2,976,483                              | 2,918,373         | 2,515,329                             | 2,640,506         | 2,042,426                                   | 1,800,450        | 36,220                               | 38,910         |
| Other expenses   | 5    | 231,755                             | 198,940          | 431,195                                | 377,982           | 327,086                               | 349,542           | 251,421                                     | 192,790          | 24,890                               | 25,341         |
| Provision for doubtful debts                                       |      | -                                   | -                | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -              |
| <b>Total expenses</b>  |      | <b>1,549,902</b>                    | <b>1,576,958</b> | <b>3,407,678</b>                       | <b>3,296,355</b>  | <b>2,842,415</b>                      | <b>2,990,048</b>  | <b>2,293,847</b>                            | <b>1,993,240</b> | <b>61,110</b>                        | <b>64,251</b>  |
| <b>Profit / (loss) from operating activities</b>                   |      | <b>4,964,219</b>                    | <b>4,349,099</b> | <b>10,201,191</b>                      | <b>9,552,075</b>  | <b>9,098,847</b>                      | <b>8,800,281</b>  | <b>8,563,695</b>                            | <b>7,415,466</b> | <b>226,175</b>                       | <b>235,105</b> |
| <b>Financing costs attributable to investors</b>                   |      |                                     |                  |  |                   |                                       |                   |   |                  |                                      |                |
| Distributions to investors   | 6    | 4,964,219                           | 4,349,099        | 10,201,191                             | 9,552,075         | 9,098,847                             | 8,800,281         | 8,563,695                                   | 7,415,466        | 226,175                              | 235,105        |
| <b>Net profit / (loss) for year</b>                                |      | <b>-</b>                            | <b>-</b>         | <b>-</b>                               | <b>-</b>          | <b>-</b>                              | <b>-</b>          | <b>-</b>                                    | <b>-</b>         | <b>-</b>                             | <b>-</b>       |
| <b>Other comprehensive income</b>                                  |      | <b>-</b>                            | <b>-</b>         | <b>-</b>                               | <b>-</b>          | <b>-</b>                              | <b>-</b>          | <b>-</b>                                    | <b>-</b>         | <b>-</b>                             | <b>-</b>       |
| <b>Change in net assets attributable to investors from trading</b> |      | <b>-</b>                            | <b>-</b>         | <b>-</b>                               | <b>-</b>          | <b>-</b>                              | <b>-</b>          | <b>-</b>                                    | <b>-</b>         | <b>-</b>                             | <b>-</b>       |

The accompanying notes form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**  
**For the year ended 30 June 2019**

|  | Note | Tasmanian Perpetual<br>Australian Share Fund |                  | Tasmanian Perpetual<br>Diversified Property Fund |                  | Tasmanian Perpetual<br>Balanced Fund |                  | Tasmanian Perpetual<br>International Share Fund |                    | Tasmanian Perpetual<br>Equity Fund |                |
|--|------|--|------------------|--|------------------|--------------------------------------|------------------|---|--------------------|------------------------------------|----------------|
|  |      | 2019<br>\$                                   | 2018<br>\$       | 2019<br>\$                                       | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$       | 2019<br>\$                                      | 2018<br>\$         | 2019<br>\$                         | 2018<br>\$     |
| <b>Revenue</b>   |      |  |                  |  |                  |                                      |                  |   |                    |                                    |                |
| Interest revenue   |      |  |                  |  |                  |                                      |                  |   |                    |                                    |                |
| - Cash & cash equivalents  |      | -  | -                | -  | -                | -                                    | -                | -   | -                  | -                                  | -              |
| - Investments  |      | 50,357                                       | 30,398           | 35,497   | 17,697           | 163,606                              | 93,940           | 100,483   | 41,927             | 13,112                             | 8,389          |
| - Loans and advances   |      | -  | -                | -  | -                | -                                    | -                | -   | -                  | -                                  | -              |
| Distribution income  |      | 2,315,158                                    | 2,204,741        | 1,313,814  | 1,482,651        | 775,599                              | 609,229          | 2,544,664                                       | 3,920,933          | 544,271                            | 804,530        |
| Change in the fair value of investments                            |      | 746,779                                      | (6,554,018)      | 2,234,527  | (878,434)        | 163,507                              | 189,757          | 2,774,066                                       | (7,026,180)        | 58,825                             | (336,363)      |
| Net gain / (loss) on disposal of units at cost in unit trusts      |      | (18,824)                                     | 5,636,469        | 58,712   | 1,809,255        | -                                    | 1,333,677        | 819,220   | 10,988,849         | 174,662                            | 84,959         |
| <b>Total revenue</b>   |      | <b>3,093,470</b>                             | <b>1,317,590</b> | <b>3,642,550</b>                                 | <b>2,431,169</b> | <b>1,102,712</b>                     | <b>2,226,603</b> | <b>6,238,433</b>                                | <b>7,925,529</b>   | <b>790,870</b>                     | <b>561,515</b> |
| <b>Expenses</b>  |      |  |                  |  |                  |                                      |                  |   |                    |                                    |                |
| Responsible Entity fees  | 5    | 340,648                                      | 323,563          | 250,636  | 231,875          | 182,244                              | 162,141          | 653,772   | 680,177            | 92,676                             | 97,154         |
| Other expenses   | 5    | 46,311                                       | 53,491           | 44,622   | 18,810           | 40,955                               | 18,343           | 64,600  | 58,466             | 24,740                             | 25,550         |
| Provision for doubtful debts                                       |      | -  | -                | -  | -                | -                                    | -                | -   | -                  | -                                  | -              |
| <b>Total expenses</b>  |      | <b>386,959</b>                               | <b>377,054</b>   | <b>295,258</b>                                   | <b>250,685</b>   | <b>223,199</b>                       | <b>180,484</b>   | <b>718,372</b>                                  | <b>738,643</b>     | <b>117,416</b>                     | <b>122,704</b> |
| <b>Profit / (loss) from operating activities</b>                   |      | <b>2,706,511</b>                             | <b>940,536</b>   | <b>3,347,292</b>                                 | <b>2,180,484</b> | <b>879,513</b>                       | <b>2,046,119</b> | <b>5,520,061</b>                                | <b>7,186,886</b>   | <b>673,454</b>                     | <b>438,811</b> |
| <b>Financing costs attributable to investors</b>                   |      |  |                  |  |                  |                                      |                  |   |                    |                                    |                |
| Distributions to investors   | 6    | 1,902,051                                    | 1,654,227        | 408,355  | 903,662          | 716,510                              | 638,543          | 2,757,139                                       | 10,741,531         | 361,576                            | 402,588        |
| <b>Net profit / (loss) for year</b>                                |      | <b>804,460</b>                               | <b>(713,691)</b> | <b>2,938,937</b>                                 | <b>1,276,822</b> | <b>163,003</b>                       | <b>1,407,576</b> | <b>2,762,922</b>                                | <b>(3,554,645)</b> | <b>311,878</b>                     | <b>36,223</b>  |
| <b>Other comprehensive income</b>                                  |      | <b>-</b>                                     | <b>-</b>         | <b>-</b>   | <b>-</b>         | <b>-</b>                             | <b>-</b>         | <b>-</b>  | <b>-</b>           | <b>-</b>                           | <b>-</b>       |
| <b>Change in net assets attributable to investors from trading</b> |      | <b>804,460</b>                               | <b>(713,691)</b> | <b>2,938,937</b>                                 | <b>1,276,822</b> | <b>163,003</b>                       | <b>1,407,576</b> | <b>2,762,922</b>                                | <b>(3,554,645)</b> | <b>311,878</b>                     | <b>36,223</b>  |

The accompanying notes form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION

### As at 30 June 2019

|   | Note | Tasmanian Perpetual<br>At Call Fund |                    | Tasmanian Perpetual<br>Fixed Term Fund |                    | Tasmanian Perpetual<br>Long Term Fund |                    | Tasmanian Perpetual<br>Select Mortgage Fund |                    | Tasmanian Perpetual<br>Mortgage Fund |                  |
|---|------|-------------------------------------|--------------------|--|--------------------|---------------------------------------|--------------------|---|--------------------|--------------------------------------|------------------|
|   |      | 2019<br>\$                          | 2018<br>\$         | 2019<br>\$                             | 2018<br>\$         | 2019<br>\$                            | 2018<br>\$         | 2019<br>\$                                  | 2018<br>\$         | 2019<br>\$                           | 2018<br>\$       |
| <b>Assets</b>   |      |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Cash & cash equivalents   | 12   | 18,986,247                          | 14,283,193         | 14,074,794                             | 13,053,402         | 18,596,886                            | 13,403,630         | 101,935,480                                 | 87,544,600         | 639,174                              | 787,742          |
| Receivables   |      | 666,421                             | 770,474            | 698,077                                | 700,475            | 941,387                               | 960,973            | 669,515                                     | 566,641            | -                                    | -                |
| Financial instruments at amortised cost                                 |      |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Short term investments  | 10   | 145,351,590                         | 162,782,891        | 85,942,545                             | 108,335,158        | 75,940,002                            | 96,367,172         | -   | -                  | 6,229,509                            | 7,019,204        |
| Long term investments   | 10   | 76,587,891                          | 56,150,111         | 117,062,370                            | 89,078,301         | 105,625,935                           | 90,583,823         | 87,846,026                                  | 71,498,860         | -                                    | -                |
| Loans & advances  | 7    | -                                   | -                  | 113,235,543                            | 120,343,354        | 89,283,535                            | 96,873,859         | 83,595,703                                  | 84,519,625         | -                                    | -                |
| Investments designated as fair value through profit or loss             |      |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Unlisted managed investment schemes                                     |      | -                                   | -                  | -                                      | -                  | -                                     | -                  | -   | -                  | -                                    | -                |
| Other assets  |      | 6,474                               | 7,139              | 40,119                                 | 25,699             | 121,070                               | 38,047             | 148,069                                     | 27,142             | 880                                  | 842              |
| <b>Total assets</b>   |      | <b>241,598,623</b>                  | <b>233,993,808</b> | <b>331,053,448</b>                     | <b>331,536,389</b> | <b>290,508,815</b>                    | <b>298,227,504</b> | <b>274,194,793</b>                          | <b>244,156,868</b> | <b>6,869,563</b>                     | <b>7,807,788</b> |
| <b>Liabilities</b>  |      |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Trade & other payables  |      | 6,474                               | 3,995              | 14,485                                 | -                  | 44,762                                | 25,348             | 36,589                                      | 447                | 880                                  | 842              |
| <b>Total liabilities excluding net assets attributable to investors</b> |      | <b>6,474</b>                        | <b>3,995</b>       | <b>14,485</b>                          | <b>-</b>           | <b>44,762</b>                         | <b>25,348</b>      | <b>36,589</b>                               | <b>447</b>         | <b>880</b>                           | <b>842</b>       |
| <b>Net assets attributable to investors</b>                             |      | <b>241,592,149</b>                  | <b>233,989,813</b> | <b>331,038,963</b>                     | <b>331,536,389</b> | <b>290,464,053</b>                    | <b>298,202,156</b> | <b>274,158,204</b>                          | <b>244,156,421</b> | <b>6,868,683</b>                     | <b>7,806,946</b> |
| <b>Undistributed earnings</b>   |      | <b>-</b>                            | <b>-</b>           | <b>-</b>                               | <b>-</b>           | <b>-</b>                              | <b>-</b>           | <b>-</b>                                    | <b>-</b>           | <b>-</b>                             | <b>-</b>         |

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO INVESTORS

### For the year ended 30 June 2019

|   | Note | Tasmanian Perpetual<br>At Call Fund |                    | Tasmanian Perpetual<br>Fixed Term Fund |                    | Tasmanian Perpetual<br>Long Term Fund |                    | Tasmanian Perpetual<br>Select Mortgage Fund |                    | Tasmanian Perpetual<br>Mortgage Fund |                  |
|---|------|-------------------------------------|--------------------|--|--------------------|---------------------------------------|--------------------|---|--------------------|--------------------------------------|------------------|
|   |      | 2019<br>\$                          | 2018<br>\$         | 2019<br>\$                             | 2018<br>\$         | 2019<br>\$                            | 2018<br>\$         | 2019<br>\$                                  | 2018<br>\$         | 2019<br>\$                           | 2018<br>\$       |
| <b>Opening value</b>  |      | <b>233,989,813</b>                  | <b>212,808,492</b> | <b>331,536,389</b>                     | <b>312,451,642</b> | <b>298,202,156</b>                    | <b>304,533,863</b> | <b>244,156,421</b>                          | <b>207,302,900</b> | <b>7,806,946</b>                     | <b>7,973,888</b> |
| Deposits during the period                                  |      | 377,531,664                         | 408,124,035        | 103,449,281                            | 110,966,440        | 72,371,319                            | 84,611,561         | 113,694,731                                 | 101,391,984        | 339,873                              | 620,910          |
| Withdrawals during the period                               |      | (369,929,328)                       | (386,942,714)      | (103,946,707)                          | (91,881,693)       | (80,109,422)                          | (90,943,268)       | (83,692,948)                                | (64,538,463)       | (1,278,136)                          | (787,852)        |
| Change in net assets attributable to investors from trading |      | -                                   | -                  | -                                      | -                  | -                                     | -                  | -   | -                  | -                                    | -                |
| <b>Closing value</b>  | 11   | <b>241,592,149</b>                  | <b>233,989,813</b> | <b>331,038,963</b>                     | <b>331,536,389</b> | <b>290,464,053</b>                    | <b>298,202,156</b> | <b>274,158,204</b>                          | <b>244,156,421</b> | <b>6,868,683</b>                     | <b>7,806,946</b> |

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**As at 30 June 2019**

|   | Note | Tasmanian Perpetual<br>Australian Share Fund |                   | Tasmanian Perpetual<br>Diversified Property Fund |                   | Tasmanian Perpetual<br>Balanced Fund |                   | Tasmanian Perpetual<br>International Share Fund |                   | Tasmanian Perpetual<br>Equity Fund |                  |
|---|------|--|-------------------|--|-------------------|--------------------------------------|-------------------|---|-------------------|------------------------------------|------------------|
|   |      | 2019<br>\$                                   | 2018<br>\$        | 2019<br>\$                                       | 2018<br>\$        | 2019<br>\$                           | 2018<br>\$        | 2019<br>\$                                      | 2018<br>\$        | 2019<br>\$                         | 2018<br>\$       |
| <b>Assets</b>   |      |  |                   |  |                   |                                      |                   |   |                   |                                    |                  |
| Cash & cash equivalents   | 12   | 1,926,153                                    | 2,048,787         | 2,060,725  | 1,510,800         | 4,068,829                            | 4,407,723         | 2,347,117                                       | (3,456,540)       | 548,116                            | 768,952          |
| Receivables   |      | -  | -                 | -  | -                 | -                                    | -                 | -   | -                 | -                                  | -                |
| Financial instruments at amortised cost                                 |      |  |                   |  |                   |                                      |                   |   |                   |                                    |                  |
| Short term investments  |      | -  | -                 | -  | -                 | -                                    | -                 | -   | -                 | -                                  | -                |
| Long term investments   |      | -  | -                 | -  | -                 | -                                    | -                 | -   | -                 | -                                  | -                |
| Loans & advances  |      | -  | -                 | -  | -                 | -                                    | -                 | -   | -                 | -                                  | -                |
| Investments designated as fair value through profit or loss             |      |  |                   |  |                   |                                      |                   |   |                   |                                    |                  |
| Unlisted managed investment schemes                                     |      | 32,897,823                                   | 29,529,868        | 24,517,052                                       | 21,393,813        | 13,925,106                           | 12,596,599        | 61,435,801                                      | 62,305,958        | 8,441,436                          | 8,627,948        |
| Other assets  |      | 17,886                                       | 5,412             | 12,750   | 3,613             | 13,894                               | 20,554            | 12,482  | 9,405             | 7,375                              | 18,477           |
| <b>Total assets</b>   |      | <b>34,841,862</b>                            | <b>31,584,067</b> | <b>26,590,527</b>                                | <b>22,908,226</b> | <b>18,007,829</b>                    | <b>17,024,876</b> | <b>63,795,400</b>                               | <b>58,858,823</b> | <b>8,996,927</b>                   | <b>9,415,377</b> |
| <b>Liabilities</b>  |      |  |                   |  |                   |                                      |                   |   |                   |                                    |                  |
| Trade & other payables  |      | 5,905  | 4,202             | 4,585  | 3,613             | 3,427                                | 2,550             | 11,300  | 9,405             | 1,560                              | 1,455            |
| <b>Total liabilities excluding net assets attributable to investors</b> |      | <b>5,905</b>                                 | <b>4,202</b>      | <b>4,585</b>                                     | <b>3,613</b>      | <b>3,427</b>                         | <b>2,550</b>      | <b>11,300</b>                                   | <b>9,405</b>      | <b>1,560</b>                       | <b>1,455</b>     |
| <b>Net assets attributable to investors</b>                             |      | <b>34,835,957</b>                            | <b>31,579,865</b> | <b>26,585,942</b>                                | <b>22,904,613</b> | <b>18,004,402</b>                    | <b>17,022,326</b> | <b>63,784,100</b>                               | <b>58,849,418</b> | <b>8,995,367</b>                   | <b>9,413,922</b> |
| <b>Undistributed earnings</b>   |      | <b>-</b>                                     | <b>-</b>          | <b>-</b>   | <b>-</b>          | <b>-</b>                             | <b>-</b>          | <b>-</b>  | <b>-</b>          | <b>-</b>                           | <b>-</b>         |

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO INVESTORS (CONTINUED)**  
**For the year ended 30 June 2019**

|   | Note | Tasmanian Perpetual<br>Australian Share Fund |             | Tasmanian Perpetual<br>Diversified Property Fund |             | Tasmanian Perpetual<br>Balanced Fund |             | Tasmanian Perpetual<br>International Share Fund |             | Tasmanian Perpetual<br>Equity Fund |            |
|---|------|--|-------------|--|-------------|--------------------------------------|-------------|---|-------------|------------------------------------|------------|
|   |      | 2019<br>\$                                   | 2018<br>\$  | 2019<br>\$                                       | 2018<br>\$  | 2019<br>\$                           | 2018<br>\$  | 2019<br>\$                                      | 2018<br>\$  | 2019<br>\$                         | 2018<br>\$ |
| <b>Opening value</b>  |      | <b>31,579,865</b>                            | 30,311,264  | <b>22,904,613</b>                                | 22,250,059  | <b>17,022,326</b>                    | 11,119,554  | <b>58,849,418</b>                               | 61,254,564  | <b>9,413,922</b>                   | 8,842,588  |
| Deposits during the period                                  |      | 4,928,897                                    | 3,612,807   | 2,075,151  | 2,264,335   | 3,649,301                            | 7,390,114   | 4,676,919                                       | 4,513,545   | 850,703                            | 1,292,363  |
| Withdrawals during the period                               |      | (2,477,265)                                  | (1,630,515) | (1,332,759)                                      | (2,886,603) | (2,830,228)                          | (2,894,918) | (2,505,159)                                     | (3,364,046) | (1,581,136)                        | (757,252)  |
| Change in net assets attributable to investors from trading |      | 804,460                                      | (713,691)   | 2,938,937  | 1,276,822   | 163,003                              | 1,407,576   | 2,762,922                                       | (3,554,645) | 311,878                            | 36,223     |
| <b>Closing value</b>  | 11   | <b>34,835,957</b>                            | 31,579,865  | <b>26,585,942</b>                                | 22,904,613  | <b>18,004,402</b>                    | 17,022,326  | <b>63,784,100</b>                               | 58,849,418  | <b>8,995,367</b>                   | 9,413,922  |

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

### For the year ended 30 June 2019

| Note  | Tasmanian Perpetual<br>At Call Fund |                     | Tasmanian Perpetual<br>Fixed Term Fund |                     | Tasmanian Perpetual<br>Long Term Fund |                     | Tasmanian Perpetual<br>Select Mortgage Fund |                     | Tasmanian Perpetual<br>Mortgage Fund |                  |
|---|-------------------------------------|---------------------|--|---------------------|---------------------------------------|---------------------|---|---------------------|--------------------------------------|------------------|
|   | 2019<br>\$                          | 2018<br>\$          | 2019<br>\$                             | 2018<br>\$          | 2019<br>\$                            | 2018<br>\$          | 2019<br>\$                                  | 2018<br>\$          | 2019<br>\$                           | 2018<br>\$       |
| <b>Cash flows from operating activities</b>                   |                                     |                     |  |                     |                                       |                     |   |                     |                                      |                  |
| Interest received   | 6,618,174                           | 5,722,926           | 13,611,267                             | 12,983,369          | 11,960,848                            | 11,879,350          | 10,754,668                                  | 9,358,603           | 287,285                              | 299,356          |
| Distributions received  | -                                   | -                   | -                                      | -                   | -                                     | -                   | -   | -                   | -                                    | -                |
| GST received / (paid)   | 83,356                              | 56,290              | 180,342                                | 163,980             | 151,887                               | 117,732             | 119,078                                     | 72,533              | 2,753                                | 2,366            |
| Responsible Entity fees paid                                  | (1,318,147)                         | (1,378,018)         | (2,976,483)                            | (2,918,373)         | (2,515,329)                           | (2,640,506)         | (2,042,426)                                 | (1,800,450)         | (36,220)                             | (38,910)         |
| Other receipts / (payments) from operating activities         | (312,632)                           | (262,161)           | (597,052)                              | (541,962)           | (459,559)                             | (441,926)           | (334,356)                                   | (264,877)           | (27,605)                             | (27,482)         |
| <b>Net cash flows from / (used in) operating activities</b>   | <b>5,070,751</b>                    | <b>4,139,037</b>    | <b>10,218,074</b>                      | <b>9,687,014</b>    | <b>9,137,846</b>                      | <b>8,914,650</b>    | <b>8,496,964</b>                            | <b>7,365,809</b>    | <b>226,213</b>                       | <b>235,330</b>   |
| <b>Cash flows from investing activities</b>                   |                                     |                     |  |                     |                                       |                     |   |                     |                                      |                  |
| Net (payment) / proceeds from investments                     | (3,006,479)                         | (25,457,885)        | (5,591,456)                            | (30,689,232)        | 5,385,057                             | (13,585,872)        | (16,347,166)                                | (22,436,437)        | 789,695                              | 151,278          |
| (Increase) / decrease in loans & advances                     | -                                   | -                   | 7,107,811                              | 8,300,319           | 7,590,324                             | 11,438,877          | 923,922                                     | 329,998             | -                                    | -                |
| Other receipts / (payments) from investing activities         | 665                                 | (1,262)             | (14,420)                               | 65,265              | (83,023)                              | 36,555              | (120,927)                                   | (27,142)            | (38)                                 | (225)            |
| <b>Net cash flows from / (used in) investing activities</b>   | <b>(3,005,814)</b>                  | <b>(25,459,147)</b> | <b>1,501,935</b>                       | <b>(22,323,648)</b> | <b>12,892,358</b>                     | <b>(2,110,440)</b>  | <b>(15,544,171)</b>                         | <b>(22,133,581)</b> | <b>789,657</b>                       | <b>151,053</b>   |
| <b>Cash flows from financing activities</b>                   |                                     |                     |  |                     |                                       |                     |   |                     |                                      |                  |
| Increase / (decrease) in investors' funds                     | 7,602,336                           | 21,181,321          | (497,426)                              | 19,084,747          | (7,738,102)                           | (6,331,707)         | 30,001,783                                  | 36,853,522          | (938,263)                            | (166,942)        |
| Distributions paid  | (4,964,219)                         | (4,349,099)         | (10,201,191)                           | (9,552,075)         | (9,098,847)                           | (8,800,281)         | (8,563,695)                                 | (7,415,466)         | (226,175)                            | (235,105)        |
| <b>Net cash flows from / (used in) financing activities</b>   | <b>2,638,117</b>                    | <b>16,832,222</b>   | <b>(10,698,617)</b>                    | <b>9,532,672</b>    | <b>(16,836,949)</b>                   | <b>(15,131,988)</b> | <b>21,438,088</b>                           | <b>29,438,056</b>   | <b>(1,164,438)</b>                   | <b>(402,047)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>4,703,054</b>                    | <b>(4,487,888)</b>  | <b>1,021,392</b>                       | <b>(3,103,962)</b>  | <b>5,193,256</b>                      | <b>(8,327,778)</b>  | <b>14,390,880</b>                           | <b>14,670,284</b>   | <b>(148,568)</b>                     | <b>(15,664)</b>  |
| <b>Cash at the beginning of period</b>                        | <b>14,283,193</b>                   | <b>18,771,081</b>   | <b>13,053,402</b>                      | <b>16,157,364</b>   | <b>13,403,630</b>                     | <b>21,731,408</b>   | <b>87,544,600</b>                           | <b>72,874,316</b>   | <b>787,742</b>                       | <b>803,406</b>   |
| <b>Cash &amp; cash equivalents at the end of period</b>       | <b>18,986,247</b>                   | <b>14,283,193</b>   | <b>14,074,794</b>                      | <b>13,053,402</b>   | <b>18,596,886</b>                     | <b>13,403,630</b>   | <b>101,935,480</b>                          | <b>87,544,600</b>   | <b>639,174</b>                       | <b>787,742</b>   |

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the year ended 30 June 2019**

| Note  | Tasmanian Perpetual<br>Australian Share Fund |                  | Tasmanian Perpetual<br>Diversified Property Fund |                  | Tasmanian Perpetual<br>Balanced Fund |                    | Tasmanian Perpetual<br>International Share Fund |                    | Tasmanian Perpetual<br>Equity Fund |                  |
|---|--|------------------|--|------------------|--------------------------------------|--------------------|---|--------------------|------------------------------------|------------------|
|   | 2019<br>\$                                   | 2018<br>\$       | 2019<br>\$                                       | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$         | 2019<br>\$                                      | 2018<br>\$         | 2019<br>\$                         | 2018<br>\$       |
| <b>Cash flows from operating activities</b>                   |  |                  |  |                  |                                      |                    |   |                    |                                    |                  |
| Interest received   | 50,357                                       | 30,398           | 35,497   | 17,697           | 163,606                              | 93,940             | 100,483   | 41,927             | 13,112                             | 8,389            |
| Distributions received  | 2,315,158                                    | 2,204,741        | 1,313,814  | 1,482,651        | 775,599                              | 609,229            | 2,544,664                                       | 3,920,933          | 544,271                            | 804,530          |
| GST received / (paid)   | 16,584                                       | 8,139            | 14,568   | 7,278            | 10,986                               | 5,448              | 36,155  | 18,914             | 5,552                              | 3,603            |
| Responsible Entity fees paid                                  | (340,648)                                    | (323,563)        | (250,636)  | (231,875)        | (182,244)                            | (162,141)          | (653,772)                                       | (680,177)          | (92,676)                           | (97,154)         |
| Other receipts / (payments) from operating activities         | (61,192)                                     | (60,819)         | (58,218)   | (26,414)         | (51,064)                             | (21,241)           | (98,860)  | (69,362)           | (30,187)                           | (27,698)         |
| <b>Net cash flows from / (used in) operating activities</b>   | <b>1,980,259</b>                             | <b>1,858,896</b> | <b>1,055,025</b>                                 | <b>1,249,337</b> | <b>716,883</b>                       | <b>525,235</b>     | <b>1,928,670</b>                                | <b>3,232,235</b>   | <b>440,072</b>                     | <b>691,670</b>   |
| <b>Cash flows from investing activities</b>                   |  |                  |  |                  |                                      |                    |   |                    |                                    |                  |
| Net (payment) / proceeds from investments                     | (3,367,955)                                  | (93,786)         | (3,123,238)                                      | (681,585)        | (1,328,506)                          | (3,228,638)        | 870,157   | (6,885,445)        | 186,512                            | (48,754)         |
| (Increase) / decrease in loans & advances                     | -  | -                | -  | -                | -                                    | -                  | -   | -                  | -                                  | -                |
| Other receipts / (payments) from investing activities         | (12,474)                                     | (5,412)          | (9,137)  | (3,613)          | 6,660                                | (9,285)            | (3,077)   | (784)              | 11,102                             | (3,714)          |
| <b>Net cash flows from / (used in) investing activities</b>   | <b>(3,380,429)</b>                           | <b>(99,198)</b>  | <b>(3,132,375)</b>                               | <b>(685,198)</b> | <b>(1,321,846)</b>                   | <b>(3,237,923)</b> | <b>867,080</b>                                  | <b>(6,886,229)</b> | <b>197,614</b>                     | <b>(52,468)</b>  |
| <b>Cash flows from financing activities</b>                   |  |                  |  |                  |                                      |                    |   |                    |                                    |                  |
| Increase / (decrease) in investors' funds                     | 3,179,587                                    | 1,064,743        | 3,035,631  | 308,553          | 982,580                              | 6,018,630          | 5,765,046                                       | 5,112,168          | (496,946)                          | 283,707          |
| Distributions paid  | (1,902,051)                                  | (1,654,227)      | (408,355)  | (903,662)        | (716,510)                            | (638,543)          | (2,757,139)                                     | (10,741,531)       | (361,576)                          | (402,588)        |
| <b>Net cash flows from / (used in) financing activities</b>   | <b>1,277,536</b>                             | <b>(589,484)</b> | <b>2,627,276</b>                                 | <b>(595,109)</b> | <b>266,070</b>                       | <b>5,380,087</b>   | <b>3,007,907</b>                                | <b>(5,629,363)</b> | <b>(858,522)</b>                   | <b>(118,881)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>(122,634)</b>                             | <b>1,170,214</b> | <b>549,925</b>                                   | <b>(30,970)</b>  | <b>(338,894)</b>                     | <b>2,667,399</b>   | <b>5,803,657</b>                                | <b>(9,283,357)</b> | <b>(220,836)</b>                   | <b>520,321</b>   |
| <b>Cash at the beginning of period</b>                        | <b>2,048,787</b>                             | <b>878,573</b>   | <b>1,510,800</b>                                 | <b>1,541,770</b> | <b>4,407,723</b>                     | <b>1,740,324</b>   | <b>(3,456,540)</b>                              | <b>5,826,817</b>   | <b>768,952</b>                     | <b>248,631</b>   |
| <b>Cash &amp; cash equivalents at the end of period</b>       | <b>1,926,153</b>                             | <b>2,048,787</b> | <b>2,060,725</b>                                 | <b>1,510,800</b> | <b>4,068,829</b>                     | <b>4,407,723</b>   | <b>2,347,117</b>                                | <b>(3,456,540)</b> | <b>548,116</b>                     | <b>768,952</b>   |

The accompanying notes form part of these financial statements.

## Notes to and forming part of the financial report For the year ended 30 June 2019

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### 1 Reporting entity

The Funds are registered Managed Investment Schemes under the *Corporations Act 2001*.

### 2 Basis of accounting

#### (a) Statement of compliance

The financial report, comprising the general purpose financial reports of ten Managed Investment Schemes, has been prepared in accordance with the Fund's Constitutions and the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The report has been prepared on an accruals basis. The Funds are for-profit entities for the purposes of preparing the financial statements.

The financial report complies with Australian Accounting Standards ("AAS"), which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). The financial report also complies with International Financial Reporting Standards ("IFRS").

The Financial Statements were authorised for issue by the Directors on the 21 August 2019

#### (b) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the functional currency of all funds.

### 3 Significant accounting policies

The following accounting policies have been applied consistently to all periods presented in these financial statements.

#### (a) Interest revenue

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest rate of the instrument as calculated at the acquisition date. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount and its amount at maturity calculated on an effective interest rate basis.

#### (b) Distribution revenue

Distributions from Unlisted Managed Investment Schemes are recognised in the Statement of Comprehensive Income in the year the income was earned by the Unlisted Managed Investment Schemes. Distributions received may include capital gains. The Funds are required to offset carried forward capital losses with any capital gains received as part of a distribution. If this situation arises the distributable income of the Funds will not be the same as the distributions the Funds receive.

#### (c) Expenses

All expenses, including Responsible Entity fees, are recognised in the Statement of Comprehensive Income on an accruals basis. Operating expenses reimbursed to the Responsible Entity include, but are not limited to, software maintenance, Australian Securities and Investments Commission (ASIC) fees, postage, printing, legal, audit fees, insurance, advertising and electronic banking facility costs.

#### (d) Receivables

Receivables include amounts where settlement has not yet occurred. Interest is accrued at the reporting date from the time of the last payment. Amounts are generally received within 30 days of being recorded as receivables.

#### (e) Trade and other payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Funds, and include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally 30 days.

#### (f) Redeemable investor deposits

Financial liabilities arising from the redeemable investor deposits are carried at cost (the redemption amount), representing the Investor's right to withdraw their full contribution, at the Investors' option, when the Funds are operating on a going concern basis.

## Notes to and forming part of the financial report For the year ended 30 June 2019

### (g) Terms and conditions on investors

Each interest issued confers upon the investors an equal interest in the relevant Fund. An investor does not have any interest in any particular asset or investment of the Fund. Investors have various rights under the Constitution and the *Corporations Act 2001*, including the right to:

- Have their interests redeemed;
- Receive income distributions;
- Attend and vote at meetings of investors; and
- Participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each investor are identical in all respects.

### (h) Taxation

Under current legislation, the Funds are not subject to income tax provided investors are presently entitled to the income of the Funds, and the Funds fully distribute their taxable income.

### (i) Goods and services tax (GST)

Expenses incurred by the Funds are recognised net of the amount of GST that is able to be recovered from the Australian Taxation Office (ATO). Reduced input tax credits recoverable by the Funds from the ATO are recognised as receivables in the Statement of Financial Position.

### (j) New accounting standards and interpretations

The Funds have adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application for reporting periods beginning on or after 1 January 2018 that have been issued by the Australian Accounting Standards Board (AASB).

#### AASB 9 *Financial Instruments*

In December 2014, the AASB issued AASB 9 *Financial Instruments* which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. The standard covers four broad topics: Impairment, Classification, Measurement and Hedging. AASB 9 *Financial Instruments* is effective for periods beginning on 1 January 2018. This standard introduces changes in the classification and measurement of financial assets and liabilities, including a new expected loss model for impairment and simplifications to hedge accounting. The Funds have adopted the new standard and there was no material changes to recognition and measurement of financial instruments.

#### Impairment Requirements

The impairment requirements are based on an expected credit loss model (ECL) that incorporates forward looking information and replaces the incurred loss model under the current accounting standard. The ECL for the Funds is assessed as nil due to the only historic loss resulting in an immaterial actual loss, and the only +90 day exposures over the past 24 months also being minimal and steadily declining. Credit risk management controls in the Funds are strictly followed and the risk profile of the portfolio is considered low, meaning the average LVR per loan provides sufficient coverage to avoid any losses being incurred. The portfolio will be assessed periodically, with any changes to the risk profile to be appropriately reflected.

### (k) Types of funds referred to in these statements

The financial report refers to the "cash fund", "income funds" and "united funds".

The "cash fund" is the:

- Tasmanian Perpetual At Call Fund.

The "income funds" are the:

- Tasmanian Perpetual Fixed Term Fund;
- Tasmanian Perpetual Long Term Fund; and
- Tasmanian Perpetual Select Mortgage Fund.

The "united funds" are the:

- Tasmanian Perpetual Mortgage Fund;
- Tasmanian Perpetual Australian Share Fund;
- Tasmanian Perpetual Diversified Property Fund;
- Tasmanian Perpetual Balanced Fund;
- Tasmanian Perpetual International Share Fund; and
- Tasmanian Perpetual Equity Fund.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|   | Tasmanian Perpetual<br>At Call Fund |               | Tasmanian Perpetual<br>Fixed Term Fund |               | Tasmanian Perpetual<br>Long Term Fund |               | Tasmanian Perpetual<br>Select Mortgage Fund |               | Tasmanian Perpetual<br>Mortgage Fund |              |
|---|-------------------------------------|---------------|--|---------------|---------------------------------------|---------------|---|---------------|--------------------------------------|--------------|
|   | 2019<br>\$                          | 2018<br>\$    | 2019<br>\$                             | 2018<br>\$    | 2019<br>\$                            | 2018<br>\$    | 2019<br>\$                                  | 2018<br>\$    | 2019<br>\$                           | 2018<br>\$   |
| <b>4 Auditors remuneration</b>  |                                     |               |  |               |                                       |               |   |               |                                      |              |
| During the financial year, the following fees were paid or payable for services provided by the auditor of the Group, Wise Lord & Ferguson: |                                     |               |  |               |                                       |               |   |               |                                      |              |
| <b>Audit services</b>   |                                     |               |  |               |                                       |               |   |               |                                      |              |
| - Audit and review of the financial reports   | 2,400                               | 6,018         | 2,400                                  | 7,027         | 2,400                                 | 7,132         | 2,400                                       | 5,938         | 2,400                                | 3,131        |
| - Audit and review of the compliance plan   | 4,400                               | 4,400         | 4,400                                  | 4,400         | 4,400                                 | 4,400         | 4,400                                       | 4,400         | 4,400                                | 4,400        |
| <b>Total auditors remuneration</b>  | <b>6,800</b>                        | <b>10,418</b> | <b>6,800</b>                           | <b>11,427</b> | <b>6,800</b>                          | <b>11,532</b> | <b>6,800</b>                                | <b>10,338</b> | <b>6,800</b>                         | <b>7,531</b> |

|   | Tasmanian Perpetual<br>Australian Share Fund |              | Tasmanian Perpetual<br>Diversified Property Fund |              | Tasmanian Perpetual<br>Balanced Fund |              | Tasmanian Perpetual<br>International Share Fund |              | Tasmanian Perpetual<br>Equity Fund |              |
|---|--|--------------|--|--------------|--------------------------------------|--------------|---|--------------|------------------------------------|--------------|
|   | 2019<br>\$                                   | 2018<br>\$   | 2019<br>\$                                       | 2018<br>\$   | 2019<br>\$                           | 2018<br>\$   | 2019<br>\$                                      | 2018<br>\$   | 2019<br>\$                         | 2018<br>\$   |
| - Audit and review of the financial reports | 2,400  | 3,322        | 2,400  | 3,267        | 2,400                                | 3,153        | 2,400   | 3,627        | 2,400                              | 3,124        |
| - Audit and review of the compliance plan   | 4,400  | 4,400        | 4,400  | 4,400        | 4,400                                | 4,400        | 4,400   | 4,400        | 4,400                              | 4,400        |
| <b>Total auditors remuneration</b>          | <b>6,800</b>                                 | <b>7,722</b> | <b>6,800</b>                                     | <b>7,667</b> | <b>6,800</b>                         | <b>7,553</b> | <b>6,800</b>                                    | <b>8,027</b> | <b>6,800</b>                       | <b>7,524</b> |

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|  | Tasmanian Perpetual<br>At Call Fund |                  | Tasmanian Perpetual<br>Fixed Term Fund |                  | Tasmanian Perpetual<br>Long Term Fund |                  | Tasmanian Perpetual<br>Select Mortgage Fund |                  | Tasmanian Perpetual<br>Mortgage Fund |               |
|--|-------------------------------------|------------------|--|------------------|---------------------------------------|------------------|---|------------------|--------------------------------------|---------------|
|  | 2019<br>\$                          | 2018<br>\$       | 2019<br>\$                             | 2018<br>\$       | 2019<br>\$                            | 2018<br>\$       | 2019<br>\$                                  | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$    |
| <b>5 Related party information</b>                                 |                                     |                  |  |                  |                                       |                  |   |                  |                                      |               |
| Management fees  | 1,318,147                           | 1,378,018        | 2,976,483                              | 2,918,373        | 2,515,329                             | 2,640,506        | 2,042,426                                   | 1,800,450        | 36,220                               | 38,910        |
| Expenses incurred on behalf of the Fund and reimbursed by the Fund | 231,755                             | 198,940          | 431,195                                | 377,982          | 327,086                               | 349,542          | 251,421                                     | 192,790          | 24,890                               | 25,341        |
| <b>Total related party information</b>                             | <b>1,549,902</b>                    | <b>1,576,958</b> | <b>3,407,678</b>                       | <b>3,296,355</b> | <b>2,842,415</b>                      | <b>2,990,048</b> | <b>2,293,847</b>                            | <b>1,993,240</b> | <b>61,110</b>                        | <b>64,251</b> |

|  | Tasmanian Perpetual<br>Australian Share Fund |                | Tasmanian Perpetual<br>Diversified Property Fund |                | Tasmanian Perpetual<br>Balanced Fund |                | Tasmanian Perpetual<br>International Share Fund |                | Tasmanian Perpetual<br>Equity Fund |                |
|--|--|----------------|--|----------------|--------------------------------------|----------------|---|----------------|------------------------------------|----------------|
|  | 2019<br>\$                                   | 2018<br>\$     | 2019<br>\$                                       | 2018<br>\$     | 2019<br>\$                           | 2018<br>\$     | 2019<br>\$                                      | 2018<br>\$     | 2019<br>\$                         | 2018<br>\$     |
| Management fees  | 340,648                                      | 323,563        | 250,636  | 231,875        | 182,244                              | 162,141        | 653,772   | 680,177        | 92,676                             | 97,154         |
| Expenses incurred on behalf of the Fund and reimbursed by the Fund | 46,311                                       | 53,491         | 44,622   | 18,810         | 40,955                               | 18,343         | 64,600  | 58,466         | 24,740                             | 25,550         |
| <b>Total related party information</b>                             | <b>386,959</b>                               | <b>377,054</b> | <b>295,258</b>                                   | <b>250,685</b> | <b>223,199</b>                       | <b>180,484</b> | <b>718,372</b>                                  | <b>738,643</b> | <b>117,416</b>                     | <b>122,704</b> |

**Management fees**

Tasmanian Perpetual Trustees Limited, in its capacity as Responsible Entity of the Funds, is entitled to charge management fees of 1.1% pa, inclusive of GST, of the value of the Fund's assets as stated in the PDS of the Funds. The management fees are deducted from the income of the Funds, together with out-of-pocket expenses and Government taxes, where not recouped from the investors. There are no other fees, commissions, benefits or advantages derived by the Responsible Entity or its employees or associates in connection with the management of the Funds.

**Key Management Personnel (KMP)**

The Funds do not employ personnel in their own right. However, they are required to have an incorporated Responsible Entity to manage their activities. The Directors of the Responsible Entity are KMP of that entity and they are also considered to be the KMP of the Funds. The names of the Directors during the year and up to the date of this report were as follows: Peter Armstrong (retired Feb 2019), Robert Gordon, Miles Hampton, Melos Sulicich, Stephen Lonie, Sibylle Krieger, Andrea Waters and Warren Lee. The period of office for the Directors is stated in the Directors' Report. Directors do not receive any remuneration from the Funds.



Notes to and forming part of the financial report  
For the year ended 30 June 2019

|   | Tasmanian Perpetual<br>At Call Fund |                   | Tasmanian Perpetual<br>Fixed Term Fund |            | Tasmanian Perpetual<br>Long Term Fund |                  | Tasmanian Perpetual<br>Select Mortgage Fund |                   | Tasmanian Perpetual<br>Mortgage Fund |                  |
|---|-------------------------------------|-------------------|--|------------|---------------------------------------|------------------|---|-------------------|--------------------------------------|------------------|
|   | 2019                                | 2018              | 2019                                   | 2018       | 2019                                  | 2018             | 2019  | 2018              | 2019                                 | 2018             |
|   | \$                                  | \$                | \$                                     | \$         | \$                                    | \$               | \$  | \$                | \$                                   | \$               |
| <b>5 Related party information (continued)</b>  |                                     |                   |  |            |                                       |                  |   |                   |                                      |                  |
| Estates & agencies managed by the Responsible Entity with investments in the Fund           | 23,630,705                          | 23,107,452        | 18,867,305                             | 23,669,552 | 31,992,643                            | 37,455,463       | 14,957,532                                  | 14,124,775        | -                                    | -                |
| <b>Investments in the Fund by Funds also managed by the Responsible Entity:</b>             |                                     |                   |  |            |                                       |                  |   |                   |                                      |                  |
| - Tasmanian Perpetual At Call Fund  | -                                   | -                 | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Equity Fund   | 465,927                             | 453,963           | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Balanced Fund   | 906,311                             | 1,124,582         | -                                      | -          | 3,125,000                             | 3,225,000        | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Australian Share Fund   | 1,750,461                           | 1,633,333         | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Property Fund   | 1,394,222                           | 1,669,002         | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual International Share Fund  | 3,248,577                           | 3,304,426         | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Select Mortgage Fund  | 102,318,948                         | 87,943,395        | -                                      | -          | -                                     | -                | -   | -                 | -                                    | -                |
| - Tasmanian Perpetual Mortgage Fund   | 766,987                             | 864,066           | -                                      | -          | -                                     | -                | 6,229,509                                   | 7,019,204         | -                                    | -                |
| <b>Total investments held at balance date</b>   | <b>110,851,433</b>                  | <b>96,992,767</b> | <b>-</b>                               | <b>-</b>   | <b>3,125,000</b>                      | <b>3,225,000</b> | <b>6,229,509</b>                            | <b>7,019,204</b>  | <b>-</b>                             | <b>-</b>         |
| <b>Investments by the Fund in other Funds also managed by the Responsible Entity:</b>       |                                     |                   |  |            |                                       |                  |   |                   |                                      |                  |
| - Tasmanian Perpetual At Call Fund  | -                                   | -                 | -                                      | -          | -                                     | -                | 102,318,948                                 | 87,943,395        | 766,987                              | 864,066          |
| - Tasmanian Perpetual Select Mortgage Fund  | -                                   | -                 | -                                      | -          | -                                     | -                | -   | -                 | 6,229,509                            | 7,019,204        |
| <b>Total investments held at balance date</b>   | <b>-</b>                            | <b>-</b>          | <b>-</b>                               | <b>-</b>   | <b>-</b>                              | <b>-</b>         | <b>102,318,948</b>                          | <b>87,943,395</b> | <b>6,996,496</b>                     | <b>7,883,270</b> |
| <b>Details of the investment in the Fund by the Parent Entity of the Responsible Entity</b> |                                     |                   |  |            |                                       |                  |   |                   |                                      |                  |
| - MyState Limited   | 867,319                             | 3,354,571         | -                                      | -          | 1,435,842                             | 1,393,113        | -   | -                 | -                                    | -                |
| <b>Total investments held at balance date</b>   | <b>867,319</b>                      | <b>3,354,571</b>  | <b>-</b>                               | <b>-</b>   | <b>1,435,842</b>                      | <b>1,393,113</b> | <b>-</b>                                    | <b>-</b>          | <b>-</b>                             | <b>-</b>         |

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|   | Tasmanian Perpetual<br>At Call Fund |                   | Tasmanian Perpetual<br>Fixed Term Fund |                   | Tasmanian Perpetual<br>Long Term Fund |                   | Tasmanian Perpetual<br>Select Mortgage Fund |                  | Tasmanian Perpetual<br>Mortgage Fund |            |
|---|-------------------------------------|-------------------|--|-------------------|---------------------------------------|-------------------|---|------------------|--------------------------------------|------------|
|   | 2019<br>\$                          | 2018<br>\$        | 2019<br>\$                             | 2018<br>\$        | 2019<br>\$                            | 2018<br>\$        | 2019<br>\$                                  | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$ |
| <b>5 Related party information (continued)</b>  |                                     |                   |  |                   |                                       |                   |   |                  |                                      |            |
| <b>Details of investments held by the Fund in other entities controlled by the Parent Entity of the Responsible Entity:</b> |                                     |                   |  |                   |                                       |                   |   |                  |                                      |            |
| - MyState Financial Limited   | 9,250,000                           | 12,250,000        | 3,244,627                              | 5,750,000         | 5,250,000                             | 2,250,000         | -   | -                | -                                    | -          |
| - Conquest 2013-1 Trust Class B RMBS Notes  | -                                   | -                 | 1,040,502                              | 1,245,292         | 1,040,502                             | 1,245,292         | 1,040,502                                   | 1,245,292        | -                                    | -          |
| - Conquest 2014-2 Trust Class A2 RMBS Notes   | 610,804                             | 769,421           | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -          |
| - Conquest 2014-2 Trust Class B1 RMBS Notes   | -                                   | -                 | 1,480,561                              | 2,169,436         | 1,427,684                             | 2,091,957         | 1,004,667                                   | 1,472,118        | -                                    | -          |
| - Conquest 2014-2 Trust Class B2 RMBS Notes   | -                                   | -                 | 700,000                                | 700,000           | 600,000                               | 600,000           | 500,000                                     | 500,000          | -                                    | -          |
| - Conquest 2014-2 Trust Class B3 RMBS Notes   | -                                   | -                 | 500,000                                | 500,000           | 500,000                               | 500,000           | 300,000                                     | 300,000          | -                                    | -          |
| - Conquest 2016-1 Trust Class B1 RMBS Notes   | -                                   | -                 | 8,595,450                              | 1,595,882         | 5,757,230                             | 1,389,114         | 4,652,320                                   | 1,052,004        | -                                    | -          |
| - Conquest 2016-1 Trust Class B2 RMBS Notes   | -                                   | -                 | 6,822,184                              | 1,123,673         | 4,941,331                             | 1,036,984         | 3,440,485                                   | 802,344          | -                                    | -          |
| - Conquest 2016-2 Trust Class B1 RMBS Notes   | -                                   | -                 | 750,000                                | 750,000           | 750,000                               | 750,000           | 500,000                                     | 500,000          | -                                    | -          |
| - Conquest 2016-2 Trust Class B2 RMBS Notes   | -                                   | -                 | 500,000                                | 500,000           | 500,000                               | 500,000           | 500,000                                     | 500,000          | -                                    | -          |
| - Conquest 2016-2 Trust Class B3 RMBS Notes   | -                                   | -                 | 500,000                                | 500,000           | 500,000                               | 500,000           | 500,000                                     | 500,000          | -                                    | -          |
| - Conquest 2016-2 Trust Class AB RMBS Notes   | 2,012,504                           | 2,016,254         | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -          |
| - Conquest 2017-1 Trust Class B1 RMBS Notes   | -                                   | -                 | 1,350,000                              | 1,350,000         | 1,100,000                             | 1,100,000         | 750,000                                     | 750,000          | -                                    | -          |
| - Conquest 2017-1 Trust Class B2 RMBS Notes   | -                                   | -                 | 750,000                                | 750,000           | 750,000                               | 750,000           | 500,000                                     | 500,000          | -                                    | -          |
| - Conquest 2017-1 Trust Class B3 RMBS Notes   | -                                   | -                 | -                                      | -                 | 600,000                               | 600,000           | -   | -                | -                                    | -          |
| <b>Total investments held at balance date</b>   | <b>11,873,308</b>                   | <b>15,035,675</b> | <b>26,233,325</b>                      | <b>16,934,283</b> | <b>23,716,747</b>                     | <b>13,313,347</b> | <b>13,687,974</b>                           | <b>8,121,758</b> | <b>-</b>                             | <b>-</b>   |
| <b>Responsible Entity's interest in the Fund</b>  |                                     |                   |  |                   |                                       |                   |   |                  |                                      |            |
| Opening interest  | 1,919,748                           | 780,989           | -                                      | -                 | 3,199,878                             | 3,081,749         | -   | -                | -                                    | -          |
| Applications  | 13,254,857                          | 13,312,179        | -                                      | -                 | 3,200,784                             | 118,129           | -   | -                | -                                    | -          |
| Redemptions   | (13,076,569)                        | (12,173,420)      | -                                      | -                 | -                                     | -                 | -   | -                | -                                    | -          |
| <b>Total interest held at the end of the financial year</b>   | <b>2,098,036</b>                    | <b>1,919,748</b>  | <b>-</b>                               | <b>-</b>          | <b>6,400,663</b>                      | <b>3,199,878</b>  | <b>-</b>                                    | <b>-</b>         | <b>-</b>                             | <b>-</b>   |
| Interest in the Fund  | 0.87%                               | 0.82%             | -                                      | -                 | 2.20%                                 | 1.07%             | -   | -                | -                                    | -          |
| Distributions received  | 67,941                              | 33,659            | -                                      | -                 | 131,947                               | 118,129           | -   | -                | -                                    | -          |

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|   | Tasmanian Perpetual<br>Australian Share Fund |                  | Tasmanian Perpetual<br>Diversified Property Fund |                  | Tasmanian Perpetual<br>Balanced Fund |                  | Tasmanian Perpetual<br>International Share Fund |                  | Tasmanian Perpetual<br>Equity Fund |                  |
|---|--|------------------|--|------------------|--------------------------------------|------------------|---|------------------|------------------------------------|------------------|
|   | 2019<br>\$                                   | 2018<br>\$       | 2019<br>\$                                       | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$       | 2019<br>\$                                      | 2018<br>\$       | 2019<br>\$                         | 2018<br>\$       |
| <b>5 Related party information (continued)</b>  |  |                  |  |                  |                                      |                  |   |                  |                                    |                  |
| Estates & agencies managed by the Responsible Entity with investments in the Fund     | 18,195,467                                   | 15,202,544       | 19,803,069                                       | 18,173,675       | 6,037,727                            | 6,538,111        | 58,117,097                                      | 61,038,059       | 2,116,617                          | 2,207,778        |
| <b>Investments in the Fund by Funds also managed by the Responsible Entity:</b>       |  |                  |  |                  |                                      |                  |   |                  |                                    |                  |
| - Tasmanian Perpetual Equity Fund   | 6,328,459                                    | 6,703,632        | -  | -                | -                                    | -                | 2,112,977                                       | 1,924,316        | -                                  | -                |
| <b>Total investments held at balance date</b>   | <b>6,328,459</b>                             | <b>6,703,632</b> | <b>-</b>   | <b>-</b>         | <b>-</b>                             | <b>-</b>         | <b>2,112,977</b>                                | <b>1,924,316</b> | <b>-</b>                           | <b>-</b>         |
| <b>Investments by the Fund in other Funds also managed by the Responsible Entity:</b> |  |                  |  |                  |                                      |                  |   |                  |                                    |                  |
| - Tasmanian Perpetual At Call Fund  | 1,750,461                                    | 1,633,333        | 1,394,222  | 1,669,002        | 906,311                              | 1,124,582        | 3,248,577                                       | 3,304,426        | 465,927                            | 453,963          |
| - Tasmanian Perpetual Long Term Fund  | -  | -                | -  | -                | 3,125,000                            | 3,225,000        | -   | -                | -                                  | -                |
| - Tasmanian Perpetual Australian Share Fund   | -  | -                | -  | -                | -                                    | -                | -   | -                | 6,328,459                          | 6,703,632        |
| - Tasmanian Perpetual International Share Fund  | -  | -                | -  | -                | -                                    | -                | -   | -                | 2,112,977                          | 1,924,316        |
| <b>Total investments held at balance date</b>   | <b>1,750,461</b>                             | <b>1,633,333</b> | <b>1,394,222</b>                                 | <b>1,669,002</b> | <b>4,031,311</b>                     | <b>4,349,582</b> | <b>3,248,577</b>                                | <b>3,304,426</b> | <b>8,907,363</b>                   | <b>9,081,910</b> |

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|  | Tasmanian Perpetual<br>At Call Fund |                       | Tasmanian Perpetual<br>Fixed Term Fund |                       | Tasmanian Perpetual<br>Long Term Fund |                       | Tasmanian Perpetual<br>Select Mortgage Fund |                       | Tasmanian Perpetual<br>Mortgage Fund |                       |
|--|-------------------------------------|-----------------------|--|-----------------------|---------------------------------------|-----------------------|---|-----------------------|--------------------------------------|-----------------------|
|  | 2019                                | 2018                  | 2019                                   | 2018                  | 2019                                  | 2018                  | 2019  | 2018                  | 2019                                 | 2018                  |
|  | \$                                  | \$                    | \$                                     | \$                    | \$                                    | \$                    | \$  | \$                    | \$                                   | \$                    |
| <b>6 Distributions to investors</b>                              |                                     |                       |  |                       |                                       |                       |   |                       |                                      |                       |
| <b>Distributions paid or provided for</b>                        |                                     |                       |  |                       |                                       |                       |   |                       |                                      |                       |
| - For the quarter ended 30 September                             | 1,249,524                           | 1,007,032             | 2,628,435                              | 2,296,234             | 2,365,832                             | 2,160,414             | 2,120,587                                   | 1,726,233             | 60,798                               | 57,233                |
| - For the quarter ended 31 December                              | 1,255,520                           | 1,059,388             | 2,607,799                              | 2,373,874             | 2,315,853                             | 2,200,414             | 2,159,179                                   | 1,830,922             | 58,602                               | 59,871                |
| - For the quarter ended 31 March                                 | 1,271,410                           | 1,097,977             | 2,531,917                              | 2,388,090             | 2,262,771                             | 2,158,429             | 2,163,637                                   | 1,858,099             | 55,772                               | 57,741                |
| - For the quarter ended 30 June                                  | 1,187,765                           | 1,184,702             | 2,433,040                              | 2,493,877             | 2,154,391                             | 2,281,024             | 2,120,292                                   | 2,000,212             | 51,003                               | 60,260                |
| <b>Total distributions paid or provided for</b>                  | <b>4,964,219</b>                    | <b>4,349,099</b>      | <b>10,201,191</b>                      | <b>9,552,075</b>      | <b>9,098,847</b>                      | <b>8,800,281</b>      | <b>8,563,695</b>                            | <b>7,415,466</b>      | <b>226,175</b>                       | <b>235,105</b>        |
|  | <b>Cents per unit</b>               | <b>Cents per unit</b> | <b>Cents per unit</b>                  | <b>Cents per unit</b> | <b>Cents per unit</b>                 | <b>Cents per unit</b> | <b>Cents per unit</b>                       | <b>Cents per unit</b> | <b>Cents per unit</b>                | <b>Cents per unit</b> |
| <b>Distributions paid or provided for (cents per unit)</b>       |                                     |                       |  |                       |                                       |                       |   |                       |                                      |                       |
| - For the quarter ended 30 September                             | N/A                                 | N/A                   | N/A                                    | N/A                   | N/A                                   | N/A                   | N/A   | N/A                   | 0.8100                               | 0.7300                |
| - For the quarter ended 31 December                              | N/A                                 | N/A                   | N/A                                    | N/A                   | N/A                                   | N/A                   | N/A   | N/A                   | 0.8000                               | 0.7600                |
| - For the quarter ended 31 March                                 | N/A                                 | N/A                   | N/A                                    | N/A                   | N/A                                   | N/A                   | N/A   | N/A                   | 0.7900                               | 0.7400                |
| - For the quarter ended 30 June                                  | N/A                                 | N/A                   | N/A                                    | N/A                   | N/A                                   | N/A                   | N/A   | N/A                   | 0.7500                               | 0.7800                |
| <b>Total distributions paid or provided for (cents per unit)</b> | <b>N/A</b>                          | <b>N/A</b>            | <b>N/A</b>                             | <b>N/A</b>            | <b>N/A</b>                            | <b>N/A</b>            | <b>N/A</b>                                  | <b>N/A</b>            | <b>3.1500</b>                        | <b>3.0100</b>         |

**Distributions to investors**

In accordance with the Funds' Constitutions and tax legislation, the Funds fully distribute all of their distributable income to investors. Total distributions paid or provided is calculated based on the yearly net revenue from investments, less trust expenses, plus any applicable capital gains on sale of investments.

Realised capital losses are not distributed to investors but are retained in the Funds to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to investors. Unrealised gains and losses on investments are not assessable or distributable until realised.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|  | Tasmanian Perpetual<br>Australian Share Fund |                       | Tasmanian Perpetual<br>Diversified Property Fund |                       | Tasmanian Perpetual<br>Balanced Fund |                       | Tasmanian Perpetual<br>International Share Fund |                       | Tasmanian Perpetual<br>Equity Fund |                       |
|--|--|-----------------------|--|-----------------------|--------------------------------------|-----------------------|---|-----------------------|------------------------------------|-----------------------|
|  | 2019   | 2018                  | 2019   | 2018                  | 2019                                 | 2018                  | 2019  | 2018                  | 2019                               | 2018                  |
|  | \$   | \$                    | \$   | \$                    | \$                                   | \$                    | \$  | \$                    | \$                                 | \$                    |
| <b>6 Distributions to investors (continued)</b>                  |  |                       |  |                       |                                      |                       |   |                       |                                    |                       |
| <b>Distributions paid or provided for</b>                        |  |                       |  |                       |                                      |                       |   |                       |                                    |                       |
| - For the quarter ended 30 September                             | 559,051                                      | 543,472               | 26,612   | 74,679                | 115,867                              | 14,925                | -   | 696,467               | -                                  | -                     |
| - For the quarter ended 31 December                              | 528,915                                      | 339,156               | 285,071  | 55,666                | 231,643                              | 129,574               | 193,001   | 466,520               | 212,662                            | 217,821               |
| - For the quarter ended 31 March                                 | 465,614                                      | 403,798               | 96,672   | 129,479               | 114,400                              | 100,100               | -   | -                     | -                                  | -                     |
| - For the quarter ended 30 June                                  | 348,471                                      | 367,801               | -  | 643,838               | 254,600                              | 393,944               | 2,564,138                                       | 9,578,544             | 148,914                            | 184,767               |
| <b>Total distributions paid or provided for</b>                  | <b>1,902,051</b>                             | <b>1,654,227</b>      | <b>408,355</b>                                   | <b>903,662</b>        | <b>716,510</b>                       | <b>638,543</b>        | <b>2,757,139</b>                                | <b>10,741,531</b>     | <b>361,576</b>                     | <b>402,588</b>        |
|  | <b>Cents per unit</b>                        | <b>Cents per unit</b> | <b>Cents per unit</b>                            | <b>Cents per unit</b> | <b>Cents per unit</b>                | <b>Cents per unit</b> | <b>Cents per unit</b>                           | <b>Cents per unit</b> | <b>Cents per unit</b>              | <b>Cents per unit</b> |
| <b>Distributions paid or provided for (cents per unit)</b>       |  |                       |  |                       |                                      |                       |   |                       |                                    |                       |
| - For the quarter ended 30 September                             | 1.74   | 1.78                  | 0.07   | 0.20                  | 0.83                                 | 0.14                  | 0.00  | 1.37                  | 0.00                               | 0.00                  |
| - For the quarter ended 31 December                              | 1.54   | 1.09                  | 0.76   | 0.15                  | 1.58                                 | 1.10                  | 0.36  | 0.91                  | 2.13                               | 2.08                  |
| - For the quarter ended 31 March                                 | 1.32   | 1.26                  | 0.26   | 0.35                  | 0.79                                 | 0.75                  | 0.00  | 0.00                  | 0.00                               | 0.00                  |
| - For the quarter ended 30 June                                  | 1.00   | 1.14                  | 0.00   | 1.73                  | 1.76                                 | 2.87                  | 4.78  | 18.61                 | 1.55                               | 1.78                  |
| <b>Total distributions paid or provided for (cents per unit)</b> | <b>5.60</b>                                  | <b>5.27</b>           | <b>1.09</b>                                      | <b>2.43</b>           | <b>4.96</b>                          | <b>4.86</b>           | <b>5.14</b>                                     | <b>20.89</b>          | <b>3.68</b>                        | <b>3.86</b>           |

**Net gain / (loss) on disposal of units at cost in unit trusts**

The net gain/(loss) shown is the taxable gains or loss realised upon disposal. These realised capital gains are then netted with any available prior year carried forward capital losses (if available), then added to the years income distributions to investors.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

|   | Tasmanian Perpetual<br>At Call Fund |            | Tasmanian Perpetual<br>Fixed Term Fund |             | Tasmanian Perpetual<br>Long Term Fund |            | Tasmanian Perpetual<br>Select Mortgage Fund |            | Tasmanian Perpetual<br>Mortgage Fund |            |
|---|-------------------------------------|------------|--|-------------|---------------------------------------|------------|---|------------|--------------------------------------|------------|
|   | 2019<br>\$                          | 2018<br>\$ | 2019<br>\$                             | 2018<br>\$  | 2019<br>\$                            | 2018<br>\$ | 2019<br>\$                                  | 2018<br>\$ | 2019<br>\$                           | 2018<br>\$ |
| <b>7 Loans &amp; advances</b>           |                                     |            |  |             |                                       |            |   |            |                                      |            |
| Loans & advances                        | -                                   | -          | 113,235,543                            | 120,343,354 | 89,283,535                            | 96,873,859 | 83,595,703                                  | 84,519,625 | -                                    | -          |
| Provision for doubtful debts            | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |
| <b>Total loans &amp; advances</b>       | -                                   | -          | 113,235,543                            | 120,343,354 | 89,283,535                            | 96,873,859 | 83,595,703                                  | 84,519,625 | -                                    | -          |
| <b>Provision for doubtful debts</b>     |                                     |            |  |             |                                       |            |   |            |                                      |            |
| Opening balance                         | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |
| Charge against profit                   | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |
| Write back against profit               | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |
| <b>Closing balance</b>                  | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |
| <b>Non-accrual loans included above</b> | -                                   | -          | -                                      | -           | -                                     | -          | -   | -          | -                                    | -          |

**Classification**

Loans and advances are held until they mature with the intention of collecting contractual cash flows, consisting solely of payments of principal and interest, for the benefit of investors. They are therefore carried at amortised cost.

**Recognition and measurement**

Loans and advances are initially recognised at cost, being the fair value of the consideration given plus directly attributable acquisition costs at the date the Funds become a party to the contractual provisions of the instrument using trade date accounting. Subsequent to initial recognition, the carrying amount of loans and advances is determined using the effective interest rate method, less any impairment losses. The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

**Impairment**

Loans and advances are reviewed at each reporting date, to determine whether there is objective evidence of impairment. If any such indication exists, impairment testing is carried out and an expense is recognised in the Statement of Comprehensive Income as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

**Derecognition**

The Funds derecognise financial assets when the contractual rights to the cash flows from the financial assets expire or the Funds transfer the assets and the transfer qualifies for derecognition.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

8 Investments designated as fair value through profit or loss

|  | Tasmanian Perpetual<br>Australian Share Fund |           | Tasmanian Perpetual<br>Diversified Property Fund |           | Tasmanian Perpetual<br>Balanced Fund |           | Tasmanian Perpetual<br>International Share Fund |           | Tasmanian Perpetual<br>Equity Fund |           |
|--|--|-----------|--|-----------|--------------------------------------|-----------|---|-----------|------------------------------------|-----------|
|  | 2019<br>%                                    | 2018<br>% | 2019<br>%  | 2018<br>% | 2019<br>%                            | 2018<br>% | 2019<br>%                                       | 2018<br>% | 2019<br>%                          | 2018<br>% |
| <b>Interest bearing</b>  |  |           |  |           |                                      |           |   |           |                                    |           |
| Tasmanian Perpetual At Call Fund                                 | 5%   | 5%        | 5%   | 7%        | 5%                                   | 7%        | 5%  | 5%        | 5%                                 | 5%        |
| Tasmanian Perpetual At Long Term Fund                            | -  | -         | -  | -         | 17%                                  | 19%       | -   | -         | -                                  | -         |
| <b>Non interest bearing</b>                                      |  |           |  |           |                                      |           |   |           |                                    |           |
| Antipodes Global Share Fund                                      | -  | -         | -  | -         | -                                    | -         | 8%  | 10%       | -                                  | -         |
| Grant Samuel Epoch Global Equity Fund                            | -  | -         | -  | -         | -                                    | -         | 10%   | 9%        | -                                  | -         |
| Investors Mutual Equity Income Fund                              | 15%  | 15%       | -  | -         | -                                    | -         | -   | -         | -                                  | -         |
| Magellan Global Fund   | -  | -         | -  | -         | -                                    | -         | 19%   | 16%       | -                                  | -         |
| Magellan Infrastructure Fund - Hedged                            | -  | -         | 16%  | 14%       | -                                    | -         | -   | -         | -                                  | -         |
| Magellan Infrastructure Fund - Unhedged                          | -  | -         | -  | -         | 12%                                  | 8%        | -   | -         | -                                  | -         |
| Nikko AM Australian Share Income Fund                            | 16%  | 17%       | -  | -         | 31%                                  | 31%       | -   | -         | -                                  | -         |
| Plato Australian Share Income Fund                               | 15%  | 16%       | -  | -         | -                                    | -         | -   | -         | -                                  | -         |
| Plato Global Share Fund  | -  | -         | -  | -         | 18%                                  | 20%       | 4%  | 10%       | -                                  | -         |
| Resolution Capital Global Property Securities Fund               | -  | -         | 16%  | 17%       | -                                    | -         | -   | -         | -                                  | -         |
| Tasmanian Perpetual Australian Share Fund                        | -  | -         | -  | -         | -                                    | -         | -   | -         | 71%                                | 74%       |
| Tasmanian Perpetual International Share Fund                     | -  | -         | -  | -         | -                                    | -         | -   | -         | 24%                                | 21%       |
| Vanguard Australian Fixed Interest Index Fund                    | -  | -         | -  | -         | 17%                                  | 15%       | -   | -         | -                                  | -         |
| Vanguard Australian Property Securities Index Fund               | -  | -         | 49%  | 47%       | -                                    | -         | -   | -         | -                                  | -         |
| Vanguard Australian Shares High Yield Fund                       | 49%  | 47%       | -  | -         | -                                    | -         | -   | -         | -                                  | -         |
| Vanguard International Property Securities Index Fund (Unhedged) | -  | -         | 14%  | 15%       | -                                    | -         | -   | -         | -                                  | -         |
| Vanguard International Shares Index Fund (Hedged)                | -  | -         | -  | -         | -                                    | -         | 26%   | 24%       | -                                  | -         |
| Vanguard International Shares Index Fund (Unhedged)              | -  | -         | -  | -         | -                                    | -         | 28%   | 26%       | -                                  | -         |

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 8 Investments designated as fair value through profit or loss (continued)

#### Classification

Financial assets at fair value through profit and loss include equity securities and investments in other managed investment schemes. These assets are designated on the basis that they are managed and have their performance assessed on a fair value basis in accordance with the risk management and investment strategies of the Funds. Should an investment's performance evaluation not be satisfactory the investment could be sold and replaced with a different investment.

#### Recognition & measurement

Financial assets at fair value through profit and loss are recognised by the Funds at the date they become a party to the contractual provisions of the instrument using trade date accounting. Financial assets designated at fair value through profit and loss are initially measured at fair value being the consideration given. Acquisition charges associated with the financial instruments are expensed. After initial recognition, they are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

### 9 Financial risk management

#### Overview

Assets are held at the discretion of the Responsible Entity, in accordance with its published investment strategy.

#### Cash fund

This Fund's assets principally consist of financial instruments which comprise non-quoted fixed interest investments. The objective of this investment is to provide relatively secure investments, together with a competitive return of income. The investment activity of this fund exposes it to market risk (including interest rate risk), credit risk and liquidity risk.

#### Income funds

These Funds principally consist of financial instruments which comprise mortgages and an investment in a related party fund. The objective of these investments is to provide relatively secure investments, together with a competitive return of income. The investment activity of these Funds contain exposure to market risk (including interest rate risk, property risk and currency risk), credit risk and liquidity risk.

#### Unitised funds

These Funds' assets consist of investments in wholesale Managed Investment Schemes. The composition is shown in note 8. The objective of the investments is to provide opportunity for capital growth over the medium to long term together with tax effective franked dividend income. The Funds' investing activities expose them to market risk (including market price risk, property index risk and currency risk), investment manager risk and liquidity risk.

The nature and extent of the financial instruments employed by the Funds are discussed in the following section. This note presents information about the Funds' exposure to each of these risks, the Funds' objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Funds' risk management framework. The Board of the Responsible Entity has established an Asset and Liability Committee, which is responsible for developing and monitoring the Funds' risk management policies, including those policies related to its investment activities. The Responsible Entity's risk management policies are established to identify and analyse the risks faced by the Funds, including those risks managed by the Scheme's Investment Managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. These risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Funds' activities.

The Responsible Entity's Asset and Liability Committee receives quarterly activity reports from management and, in turn, reports regularly to the Board of Directors of the Responsible Entity on its activities. The quarterly activity reports include details on compliance with the Funds' investment strategies, asset allocations of the Funds and performance.



## Notes to and forming part of the financial report For the year ended 30 June 2019

### 9 Financial risk management (continued)

#### (a) Market risk

##### Market price risk

Market price risk is the risk the value of the investments will fluctuate as a result of changes in market prices, this risk is applicable to the unitised Funds. The risk is mitigated by selecting quality Investment Managers that have a robust investment process in place. Risk is further reduced by selecting a diverse portfolio of managers and holding part of the portfolio in cash.

##### Market price risk sensitivity

The Market Price Risk of the Unitised Funds has been measured using the beta of the Fund as compared to the composite benchmark of the Fund. The following table sets out the impact that a 1% increase in the index would have on the value of the Fund. A 1% decrease would have an equal and opposite effect.

|   | Beta | % rise in bench mark | Impact on fund assets |         | Relevant index   |
|---|------|----------------------|-----------------------|---------|--|
|   |      |                      | 2019                  | 2018    |  |
| Tasmanian Perpetual Australian Share Fund     | 0.89 | 1%                   | 311,379               | 227,911 | Index is a composite of 95% FTSE ASFA High Dividend Yield Index and 5% Bloomberg AusBond Bank Bill Index   |
| Tasmanian Perpetual Diversified Property Fund | 0.98 | 1%                   | 260,176               | 233,527 | Index is composite of 50% S&P/ASX 300 A-REIT Index, 15% FTSE EPRA/NAREIT Developed ex Aust Rental Index, 15% FTSE EPRA/NAREIT Developed Index, 15% S&P Global Infrastructure Index AUD Hedged and 5% Bloomberg AusBond Bank Bill Index   |
| Tasmanian Perpetual International Share Fund  | 0.87 | 1%                   | 573,457               | 630,067 | Index is a composite consisting of 70% weighting to the MSCI World Index (ex Australia) with net dividends reinvested in Australian dollars, 25% MSCI World Index (ex Australia) with net dividends reinvested hedged to Australian dollars and 5% Bloomberg AusBond Bank Bill Index                           |
| Tasmanian Perpetual Equity Fund               | 0.84 | 1%                   | 76,385                | 26,471  | Index is a composite benchmark weighted equivalent to the Fund target asset allocation comprising: ASX 300 Accumulation Index; MSCI International Total Accumulated Return in AUD World Index ex Aust; and the UBS Australian Bank Bill Index  |
| Tasmanian Perpetual Balanced Fund             | 0.95 | 1%                   | 171,971               | 147,995 | Index is a composite consisting of 20% Bloomberg AusBond Composite 0+ Yr Index, 15% RBA Cash Rate + 1%, 30% S&P ASX 200 Accumulation Index, 20% MSCI World ex Australia Net returns Unhedged Index, 10% S&P Global Infrastructure Index \$A Unhedged Net Total return and 5% Bloomberg AusBond Bank Bill Index |

##### Interest rate risk - cash and income funds

The majority of the Funds' financial assets are held in interest bearing assets that are expected to mature within 12 months or in financial assets that reset to the prevalent market interest rate on a monthly or quarterly basis. As a result the Funds are subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Funds interest rate risks are managed on a daily basis in accordance with policies and procedures in place. Interest rate risk is managed by:

- Ensuring that the Funds have a tactical asset allocation that provides for the effective management of interest rate and associated liquidity risk;

- Ensuring that there is adequate matching of the duration of assets with the likely duration of investors' funds;
- Continually monitoring the effect upon yield and liquidity, of probable movements in interest rates; and
- Continually modelling the effect of utilising a hedging strategy to counteract the probable movement in interest rates.

The Funds overall interest rate risks are monitored on a quarterly basis by the Responsible Entity's Asset and Liability Committee which reports to the Board of Directors of the Responsible Entity.

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 9 Financial risk management (continued)

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

##### Interest rate risk - cash and income funds (continued)

The Fund's exposure to interest rate risk is as follows:

|                                       | Tasmanian Perpetual<br>At Call Fund |                    | Tasmanian Perpetual<br>Fixed Term Fund |                    | Tasmanian Perpetual<br>Long Term Fund |                    | Tasmanian Perpetual<br>Select Mortgage Fund |                    | Tasmanian Perpetual<br>Mortgage Fund |                  |
|---------------------------------------|-------------------------------------|--------------------|--|--------------------|---------------------------------------|--------------------|---|--------------------|--------------------------------------|------------------|
|                                       | 2019<br>\$                          | 2018<br>\$         | 2019<br>\$                             | 2018<br>\$         | 2019<br>\$                            | 2018<br>\$         | 2019<br>\$                                  | 2018<br>\$         | 2019<br>\$                           | 2018<br>\$       |
| <b>Financial assets</b>               |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Cash and cash equivalents             |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Weighted average interest rate        | 1.57%                               | 1.47%              | 1.60%                                  | 1.48%              | 1.59%                                 | 1.37%              | 2.53%                                       | 2.39%              | 2.82%                                | 2.60%            |
| Floating interest rate                | 18,986,247                          | 14,283,193         | 14,074,794                             | 13,053,402         | 18,596,886                            | 13,403,630         | 101,935,480                                 | 87,544,600         | 639,174                              | 787,742          |
| Investments                           |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Weighted average interest rate        | 2.71%                               | 2.57%              | 3.82%                                  | 3.51%              | 3.90%                                 | 3.55%              | 5.03%                                       | 5.10%              | 4.07%                                | 3.95%            |
| Floating interest rate                | 221,939,481                         | 218,933,002        | 203,004,915                            | 197,413,459        | 181,565,937                           | 186,950,995        | 87,846,026                                  | 71,498,860         | 6,229,509                            | 7,019,204        |
| Loans and advances                    |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Weighted average interest rate        | -                                   | -                  | 5.02%                                  | 4.97%              | 5.05%                                 | 5.00%              | 5.17%                                       | 5.00%              | -                                    | -                |
| Floating interest rate                | -                                   | -                  | 56,009,342                             | 56,933,597         | 60,802,356                            | 60,234,705         | 42,582,577                                  | 42,718,317         | -                                    | -                |
| Fixed rate maturing in 1 year or less | -                                   | -                  | 44,066,422                             | 39,344,264         | 18,183,872                            | 27,711,566         | 26,623,984                                  | 27,516,830         | -                                    | -                |
| Fixed rate maturing in 2 to 5 years   | -                                   | -                  | 13,159,779                             | 24,065,493         | 10,297,307                            | 8,927,588          | 14,389,142                                  | 14,284,478         | -                                    | -                |
| Other assets                          |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Weighted average interest rate        | -                                   | -                  | -                                      | -                  | -                                     | -                  | -   | -                  | -                                    | -                |
| Floating interest rate                | -                                   | -                  | -                                      | -                  | -                                     | -                  | -   | -                  | -                                    | -                |
| <b>Total financial assets</b>         | <b>240,925,728</b>                  | <b>233,216,195</b> | <b>330,315,252</b>                     | <b>330,810,215</b> | <b>289,446,358</b>                    | <b>297,228,484</b> | <b>273,377,210</b>                          | <b>243,563,085</b> | <b>6,868,683</b>                     | <b>7,806,946</b> |
| <b>Financial liabilities</b>          |                                     |                    |  |                    |                                       |                    |   |                    |                                      |                  |
| Trade and other payables              | -                                   | -                  | -                                      | -                  | -                                     | -                  | -   | -                  | -                                    | -                |

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 9 Financial risk management (continued)

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

##### Interest rate risk - unitised funds

The majority of the Fund's assets are held in non-interest bearing investments. However, these assets and the interest bearing investments are subject to interest rate risk. In general, equity investments usually increase in a falling interest rate environment and conversely, decrease in a rising interest rate environment. The investment in the Tasmanian Perpetual At Call Fund is expected to move in line with changes in Australian interest rates, since the underlying investments in this Fund are cash, bank bills and floating rate notes.

The primary exposure to interest rates arises on cash balances held by the Funds, which are held in floating interest rate accounts. Based on the cash balances held by the Funds at 30 June 2019, an increase in Australian interest rates of 0.25% would increase the annual interest earned by the Funds by the amounts shown in the following table. A decrease would have an equal but opposite effect. The level of cash held may vary from time to time depending on the level of recent capital flows into and out of the Funds and on the manager's judgement. The cash balances held by the Funds as at 30 June 2019 may therefore not be typical of the amounts of cash generally held by the Funds.

|  | Tasmanian Perpetual<br>Australian Share Fund |            | Tasmanian Perpetual<br>Diversified Property Fund |            | Tasmanian Perpetual<br>Balanced Fund |            | Tasmanian Perpetual<br>International Share Fund |            | Tasmanian Perpetual<br>Equity Fund |            |
|--|--|------------|--|------------|--------------------------------------|------------|---|------------|------------------------------------|------------|
|  | 2019<br>\$                                   | 2018<br>\$ | 2019<br>\$                                       | 2018<br>\$ | 2019<br>\$                           | 2018<br>\$ | 2019<br>\$                                      | 2018<br>\$ | 2019<br>\$                         | 2018<br>\$ |
| Interest revenue - cash and cash equivalents | 4,815  | 5,122      | 5,152  | 3,777      | 10,172                               | 11,019     | 5,868   | (8,641)    | 1,370                              | 1,922      |

##### Property market price risk - income funds

Property market price risk is the risk that adverse movements in the market value of a property could result in financial loss to the Funds.

The objective of property market price risk management is to ensure that movements in the market value of individual properties mortgaged to the Funds do not result in financial losses to the Funds. The Responsible Entity manages property market price risk by rigorously by applying the mortgage lending policy, which forms part of its investment policies.

The mortgage lending policy is specifically designed to manage property market price risk, whilst providing competitively priced funds to property owners and investors.

The Responsible Entity continually monitors property market trends, through analysis of commodity price movements, geographical price trends and other such localised issues. The measurement of the Funds' exposure to property market price risk is based upon the analysis of loans, at the time of review, being reported as being in excess of the investment policy's set loan to valuation ratios.

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 9 Financial risk management (continued)

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

##### **Currency risk**

Currency risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

Units in international funds are held and an exposure to foreign exchange risk arises as the offshore securities held by the underlying funds are valued in foreign currency. These international funds may have also entered into derivatives in order to gain exposure to offshore markets. As these investments are non-monetary assets, the currency risk is a component of price risk.

The Fund's currency risk is managed on a daily basis by the appointed investment managers which is determined by the investment objectives of the Fund's investments. These Funds may also manage this risk by entering into foreign exchange forward contracts to hedge these risks.

As at 30 June 2019, no significant direct currency risk is deemed to exist in the Funds.

#### (b) Investment manager risk

Investment manager risk is the risk that an investment in a fund managed by an external fund manager does not achieve the specified investment performance mandate of the Funds.

The Responsible Entity has adopted a Core-Satellite fund approach to investing for the Funds. This philosophy brings together the best of the index investment approach and the actively managed investment approach. It involves using index funds as the core of an investor's portfolio, and direct and actively managed investments as the satellites. The Responsible Entity undertakes a rigorous due diligence process when selecting and reviewing investment managers. The selection, review and replacement of investment managers is carried out by the Responsible Entity's own experienced investment team. Managers are reviewed on a quarterly basis with the review process focusing on:

- Performance against benchmark and peers;
- Continuity in investment philosophy and style; and
- Maintenance of the agreed investment approach.

#### (c) Liquidity risk

Liquidity Risk is the risk that the Funds will not be able to meet their financial obligations as they fall due. The Funds' approach to managing liquidity is to ensure that it will have sufficient liquidity to meet their liabilities as and when they fall due. The Funds' liquidity risk is managed on a daily basis by the Responsible Entity in accordance with the Investment Policy Statement and Liquidity Management Policy. The liquidity risk of the Funds is limited to the trade and other payables balance and the net assets attributable to investors which are repayable within 30 days.

#### (d) Credit risk - cash and income funds

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The Funds have a credit policy in place and the exposure to credit risk is monitored on a daily basis. All investments within the cash and income Funds are subject to credit risk. This risk is mitigated by investing in instruments with credit ratings issued by Standard and Poor's. Credit concentration is managed by applying a credit risk matrix, which is designed to diversify the financial assets of the Funds by industry and counterparty.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

9 Financial risk management (continued)

(d) Credit risk (continued)

|   | Tasmanian Perpetual<br>At Call Fund |                | Tasmanian Perpetual<br>Fixed Term Fund |                | Tasmanian Perpetual<br>Long Term Fund |                | Tasmanian Perpetual<br>Select Mortgage Fund |                | Tasmanian Perpetual<br>Mortgage Fund |                |
|---|-------------------------------------|----------------|--|----------------|---------------------------------------|----------------|---|----------------|--------------------------------------|----------------|
|   | 2019<br>%                           | 2018<br>%      | 2019<br>%                              | 2018<br>%      | 2019<br>%                             | 2018<br>%      | 2019<br>%                                   | 2018<br>%      | 2019<br>%                            | 2018<br>%      |
| <b>The Fund's financial assets exposed to credit risk were concentrated in the following classifications:</b> |                                     |                |  |                |                                       |                |   |                |                                      |                |
| Major Australian Banks  | 31.51%                              | 29.07%         | 16.63%                                 | 15.56%         | 16.82%                                | 16.82%         | 0.51%                                       | -              | -                                    | -              |
| Asset Backed Securities   | 14.81%                              | 13.86%         | 25.11%                                 | 18.10%         | 25.92%                                | 21.62%         | 21.95%                                      | 17.47%         | -                                    | -              |
| Other Banks   | 53.68%                              | 57.07%         | 15.68%                                 | 21.65%         | 17.90%                                | 20.61%         | 2.55%                                       | 3.90%          | -                                    | -              |
| Managed Investment Scheme   | -                                   | -              | 8.44%                                  | 8.43%          | 8.65%                                 | 8.44%          | 44.44%                                      | 43.99%         | 100.00%                              | 100.00%        |
| Mortgages   | -                                   | -              | 34.14%                                 | 36.26%         | 30.70%                                | 32.51%         | 30.54%                                      | 34.64%         | -                                    | -              |
| <b>Total</b>  | <b>100.00%</b>                      | <b>100.00%</b> | <b>100.00%</b>                         | <b>100.00%</b> | <b>100.00%</b>                        | <b>100.00%</b> | <b>100.00%</b>                              | <b>100.00%</b> | <b>100.00%</b>                       | <b>100.00%</b> |
| <b>At 30th June 2019, the Fund has invested in debt securities with the following credit quality:</b>         |                                     |                |  |                |                                       |                |   |                |                                      |                |
| AAA   | 14.81%                              | 13.86%         | 2.29%                                  | 1.13%          | 1.54%                                 | 0.90%          | N/A   | N/A            | N/A                                  | N/A            |
| AA+   | -                                   | -              | 0.34%                                  | 0.23%          | 0.37%                                 | 0.00%          | N/A   | N/A            | N/A                                  | N/A            |
| AA  | -                                   | -              | 8.12%                                  | 2.31%          | 8.58%                                 | 2.80%          | N/A   | N/A            | N/A                                  | N/A            |
| AA-   | 31.51%                              | 29.07%         | 31.63%                                 | 17.92%         | 31.29%                                | 21.07%         | N/A   | N/A            | N/A                                  | N/A            |
| A+  | 4.06%                               | 5.48%          | 7.60%                                  | 4.40%          | 7.67%                                 | 4.36%          | N/A   | N/A            | N/A                                  | N/A            |
| A   | -                                   | -              | 3.10%                                  | 2.91%          | 2.03%                                 | 2.85%          | N/A   | N/A            | N/A                                  | N/A            |
| A-  | -                                   | 0.86%          | -                                      | -              | 0.25%                                 | 0.00%          | N/A   | N/A            | N/A                                  | N/A            |
| BBB+  | 17.47%                              | 21.58%         | 11.29%                                 | 9.36%          | 11.94%                                | 10.07%         | N/A   | N/A            | N/A                                  | N/A            |
| BBB   | 32.15%                              | 29.15%         | 10.41%                                 | 10.15%         | 12.27%                                | 8.96%          | N/A   | N/A            | N/A                                  | N/A            |
| BBB-  | -                                   | -              | 0.23%                                  | -              | 0.25%                                 | -              | N/A   | N/A            | N/A                                  | N/A            |
| BB+   | -                                   | -              | 0.46%                                  | 0.30%          | 0.50%                                 | 0.34%          | N/A   | N/A            | N/A                                  | N/A            |
| BB  | -                                   | -              | -                                      | 0.15%          | -                                     | 0.17%          | N/A   | N/A            | N/A                                  | N/A            |
| Unrated   | -                                   | -              | 24.53%                                 | 51.14%         | 23.31%                                | 48.23%         | N/A   | N/A            | N/A                                  | N/A            |
| <b>Total</b>  | <b>100.00%</b>                      | <b>100.00%</b> | <b>100.00%</b>                         | <b>100.00%</b> | <b>100.00%</b>                        | <b>100.00%</b> | <b>N/A</b>                                  | <b>N/A</b>     | <b>N/A</b>                           | <b>N/A</b>     |

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 10 Fair value of financial instruments

Cash and liquid assets, receivables, other assets, trade and other payables are carried at cost. As these assets are short term assets, their cost is considered to approximate their fair value.

The level in the fair value hierarchy of the inputs used in determining the fair values is as follows:

- Level 1 - inputs that are prices quoted for identical instruments in active markets;
- Level 2 - inputs based on observable market data other than those in level 1; and
- Level 3 - inputs for which there is no observable market data.

The short and long term investments contained in the following table sit in level 2 of the fair value hierarchy, whilst loans and advances sit in level 3. These assets are also carried at amortised cost in the Statement of Financial Position, the carrying value may differ from fair value as shown below.

| Assets                               | Tasmanian Perpetual<br>At Call Fund |                          | Tasmanian Perpetual<br>Fixed Term Fund |                          | Tasmanian Perpetual<br>Long Term Fund |                          | Tasmanian Perpetual<br>Select Mortgage Fund |                          | Tasmanian Perpetual<br>Mortgage Fund |                          |
|--------------------------------------|-------------------------------------|--------------------------|--|--------------------------|---------------------------------------|--------------------------|---|--------------------------|--------------------------------------|--------------------------|
|                                      | Carrying amount                     | Aggregate net fair value | Carrying amount                        | Aggregate net fair value | Carrying amount                       | Aggregate net fair value | Carrying amount                             | Aggregate net fair value | Carrying amount                      | Aggregate net fair value |
| <b>30 June 2019</b>                  |                                     |                          |  |                          |                                       |                          |   |                          |                                      |                          |
| Short term investments (1)           | 145,351,590                         | 145,351,590              | 85,942,545                             | 85,942,545               | 75,940,002                            | 75,940,002               | -   | -                        | 6,229,509                            | 6,229,509                |
| Long term investments (1)            | 76,587,891                          | 76,587,891               | 117,062,370                            | 117,062,370              | 105,625,935                           | 105,625,935              | 87,846,026                                  | 87,846,026               | -                                    | -                        |
| Loans & advances - variable rate (1) | -                                   | -                        | 56,009,342                             | 56,009,342               | 60,802,356                            | 60,802,356               | 42,582,577                                  | 42,582,577               | -                                    | -                        |
| Loans & advances - fixed rate (2)    | -                                   | -                        | 57,226,201                             | 56,602,592               | 28,481,179                            | 28,193,185               | 41,013,126                                  | 40,482,300               | -                                    | -                        |
| <b>30 June 2018</b>                  |                                     |                          |  |                          |                                       |                          |   |                          |                                      |                          |
| Short term investments (1)           | 162,782,891                         | 162,782,891              | 108,335,158                            | 108,335,158              | 96,367,172                            | 96,367,172               | -   | -                        | 7,019,204                            | 7,019,204                |
| Long term investments (1)            | 56,150,111                          | 56,150,111               | 89,078,301                             | 89,078,301               | 90,583,823                            | 90,583,823               | 71,498,860                                  | 71,498,860               | -                                    | -                        |
| Loans & advances - variable rate (1) | -                                   | -                        | 56,933,597                             | 56,933,597               | 60,234,705                            | 60,234,705               | 42,718,317                                  | 42,718,317               | -                                    | -                        |
| Loans & advances - fixed rate (2)    | -                                   | -                        | 63,409,757                             | 62,708,862               | 36,639,154                            | 36,289,052               | 41,801,308                                  | 41,359,610               | -                                    | -                        |

(1) The amortised cost carrying amount of these assets in the Condensed Statement of Financial Position is a reasonable approximation of fair value due to the short term to maturity or periodic yield resets. Fair values have, therefore, not been calculated. The majority of short term investments are negotiated with a maturity between three and six months. The interest rates on all long term investments reset to a specific margin above current market rates, either monthly or quarterly. The interest rates on loans & advances with a variable rate, change based on market interest rate movements.

(2) The fair value of loans & advances with a fixed rate is calculated as the present value of future known cash flows using the Fund's current variable rate as the discount factor.

#### Unitised funds

The unithold funds hold investments in unlisted managed investment schemes. These are carried at fair value through profit or loss with fair value determined by reference to the publicly available quoted unit price. These therefore sit in Level 1 of the fair value hierarchy.

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 11 Net assets attributable to investors

#### Cash and income funds

The Funds' net assets attributable to investors is the capital of the Funds, notwithstanding the classification as a liability. Net assets attributable to investors is the pool of funds contributed by investors over time. The objective of the Funds is to provide returns to investors in accordance with the Product Disclosure Statement. Note 9 provides detailed information on how the Responsible Entity manages the Funds' capital to achieve the Funds' objectives.

|  | Tasmanian Perpetual<br>At Call Fund |            | Tasmanian Perpetual<br>Fixed Term Fund |            | Tasmanian Perpetual<br>Long Term Fund |            | Tasmanian Perpetual<br>Select Mortgage Fund |            | Tasmanian Perpetual<br>Mortgage Fund |                  |
|--|-------------------------------------|------------|--|------------|---------------------------------------|------------|---|------------|--------------------------------------|------------------|
| 30 June 2019                                   | \$                                  | Units      | \$                                     | Units      | \$                                    | Units      | \$  | Units      | \$                                   | Units            |
| <b>Investors' transactions</b>                 |                                     |            |  |            |                                       |            |   |            |                                      |                  |
| Opening issued units                           | 233,989,813                         | N/A        | 331,536,389                            | N/A        | 298,202,156                           | N/A        | 244,156,421                                 | N/A        | 7,806,946                            | 7,725,578        |
| Units issued during year                       | 375,238,903                         | N/A        | 95,936,934                             | N/A        | 65,929,382                            | N/A        | 107,206,600                                 | N/A        | 340,800                              | 335,478          |
| Units reinvested during year                   | 2,292,761                           | N/A        | 7,512,347                              | N/A        | 6,441,937                             | N/A        | 6,488,131                                   | N/A        | -                                    | -                |
| Units redeemed during year                     | (369,929,328)                       | N/A        | (103,946,707)                          | N/A        | (80,109,422)                          | N/A        | (83,692,948)                                | N/A        | (1,279,062)                          | (1,260,685)      |
| Change in net assets attributable to investors | -                                   | N/A        | -                                      | N/A        | -                                     | N/A        | -   | N/A        | -                                    | -                |
| <b>Closing issued units</b>                    | <b>241,592,149</b>                  | <b>N/A</b> | <b>331,038,963</b>                     | <b>N/A</b> | <b>290,464,053</b>                    | <b>N/A</b> | <b>274,158,204</b>                          | <b>N/A</b> | <b>6,868,683</b>                     | <b>6,800,371</b> |
| <b>30 June 2018</b>                            |                                     |            |  |            |                                       |            |   |            |                                      |                  |
| Opening issued units                           | 212,808,492                         | N/A        | 312,451,642                            | N/A        | 304,533,863                           | N/A        | 207,302,900                                 | N/A        | 7,806,946                            | 7,890,672        |
| Units issued during year                       | 406,022,200                         | N/A        | 104,167,509                            | N/A        | 78,296,323                            | N/A        | 95,834,342                                  | N/A        | 620,910                              | 611,953          |
| Units reinvested during year                   | 2,101,835                           | N/A        | 6,798,931                              | N/A        | 6,315,238                             | N/A        | 5,557,642                                   | N/A        | -                                    | -                |
| Units redeemed during year                     | (386,942,714)                       | N/A        | (91,881,693)                           | N/A        | (90,943,268)                          | N/A        | (64,538,463)                                | N/A        | (787,852)                            | (777,047)        |
| Change in net assets attributable to investors | -                                   | N/A        | -                                      | N/A        | -                                     | N/A        | -   | N/A        | -                                    | -                |
| <b>Closing issued units</b>                    | <b>233,989,813</b>                  | <b>N/A</b> | <b>331,536,389</b>                     | <b>N/A</b> | <b>298,202,156</b>                    | <b>N/A</b> | <b>244,156,421</b>                          | <b>N/A</b> | <b>7,806,946</b>                     | <b>7,725,578</b> |

## Notes to and forming part of the financial report For the year ended 30 June 2019

### 11 Net assets attributable to investors (continued)

#### Unitised Funds

The Funds' net assets attributable to investors is the capital of the Funds, notwithstanding the classification as a liability. Net assets attributable to investors is the pool of funds contributed by investors over time. The objective of the Funds is to provide returns to investors in accordance with the relevant Product Disclosure Statement. Note 9 provides detailed information on how the Responsible Entity manages the Funds' capital to achieve the Funds' objectives.

|  | Tasmanian Perpetual<br>Australian Share Fund |                   | Tasmanian Perpetual<br>Diversified Property Fund |                   | Tasmanian Perpetual<br>Balanced Fund |                   | Tasmanian Perpetual<br>International Share Fund |                   | Tasmanian Perpetual<br>Equity Fund |                   |
|--|--|-------------------|--|-------------------|--------------------------------------|-------------------|---|-------------------|------------------------------------|-------------------|
| 30 June 2019                                   | \$   | Units             | \$   | Units             | \$                                   | Units             | \$  | Units             | \$                                 | Units             |
| <b>Investors' transactions</b>                 |  |                   |  |                   |                                      |                   |   |                   |                                    |                   |
| Opening issued units                           | 31,579,865                                   | 32,354,217        | 22,904,613                                       | 37,408,666        | 17,022,326                           | 13,902,527        | 58,849,418                                      | 51,958,809        | 9,413,923                          | 10,516,234        |
| Units issued during year                       | 4,474,511                                    | 4,834,757         | 1,997,272  | 3,660,838         | 3,241,894                            | 3,022,761         | 4,457,949                                       | 4,403,037         | 610,918                            | 720,724           |
| Units reinvested during year                   | 454,386                                      | 478,599           | 77,878   | 126,656           | 407,407                              | 337,465           | 218,970   | 185,576           | 239,785                            | 277,006           |
| Units redeemed during year                     | (2,477,265)                                  | (2,735,270)       | (1,332,759)                                      | (2,724,108)       | (2,830,228)                          | (2,678,560)       | (2,505,159)                                     | (2,731,801)       | (1,581,136)                        | (1,799,996)       |
| Change in net assets attributable to investors | 804,460                                      | -                 | 2,938,937  | -                 | 163,003                              | -                 | 2,762,922                                       | -                 | 311,878                            | -                 |
| <b>Closing issued units</b>                    | <b>34,835,957</b>                            | <b>34,932,303</b> | <b>26,585,942</b>                                | <b>38,472,052</b> | <b>18,004,402</b>                    | <b>14,584,192</b> | <b>63,784,100</b>                               | <b>53,815,621</b> | <b>8,995,367</b>                   | <b>9,713,968</b>  |
| <b>30 June 2018</b>                            |  |                   |  |                   |                                      |                   |   |                   |                                    |                   |
| Opening issued units                           | 30,311,264                                   | 30,340,174        | 22,250,059                                       | 38,408,137        | 11,119,554                           | 10,169,340        | 61,254,564                                      | 50,966,397        | 8,842,588                          | 9,916,517         |
| Units issued during year                       | 3,210,885                                    | 3,649,898         | 2,100,242  | 4,486,137         | 7,053,572                            | 6,070,101         | 3,905,572                                       | 3,738,405         | 1,027,868                          | 1,327,145         |
| Units reinvested during year                   | 401,922                                      | 434,852           | 164,093  | 331,016           | 336,542                              | 385,608           | 607,973   | 531,913           | 264,495                            | 320,991           |
| Units redeemed during year                     | (1,630,515)                                  | (2,070,707)       | (2,886,603)                                      | (5,816,624)       | (2,894,918)                          | (2,722,523)       | (3,364,046)                                     | (3,277,905)       | (757,252)                          | (1,048,418)       |
| Change in net assets attributable to investors | (713,691)                                    | -                 | 1,276,822  | -                 | 1,407,576                            | -                 | (3,554,645)                                     | -                 | 36,223                             | -                 |
| <b>Closing issued units</b>                    | <b>31,579,865</b>                            | <b>32,354,217</b> | <b>22,904,613</b>                                | <b>37,408,666</b> | <b>17,022,326</b>                    | <b>13,902,527</b> | <b>58,849,418</b>                               | <b>51,958,809</b> | <b>9,413,923</b>                   | <b>10,516,234</b> |



Notes to and forming part of the financial report  
For the year ended 30 June 2019

12 Statement of Cash Flows

|  | Tasmanian Perpetual<br>At Call Fund |                  | Tasmanian Perpetual<br>Fixed Term Fund |                  | Tasmanian Perpetual<br>Long Term Fund |                  | Tasmanian Perpetual<br>Select Mortgage Fund |                  | Tasmanian Perpetual<br>Mortgage Fund |                |
|--|-------------------------------------|------------------|--|------------------|---------------------------------------|------------------|---|------------------|--------------------------------------|----------------|
|  | 2019<br>\$                          | 2018<br>\$       | 2019<br>\$                             | 2018<br>\$       | 2019<br>\$                            | 2018<br>\$       | 2019<br>\$                                  | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$     |
| <b>(a) Reconciliation of profit / (loss) from operating activities to the net cash flows provided / (used) by operating activities</b> |                                     |                  |  |                  |                                       |                  |   |                  |                                      |                |
| Profit / (loss) from operating activities  | 4,964,219                           | 4,349,099        | 10,201,191                             | 9,552,075        | 9,098,847                             | 8,800,281        | 8,563,695                                   | 7,415,466        | 226,175                              | 235,105        |
| (Increase) / decrease in receivables   | 104,053                             | (203,131)        | 2,398                                  | 134,939          | 19,586                                | 89,021           | (102,875)                                   | (50,104)         | -                                    | -              |
| (Decrease) / increase in trade and other payables  | 2,479                               | (6,931)          | 14,485                                 | -                | 19,414                                | 25,348           | 36,142                                      | 447              | 38                                   | 225            |
| <b>Net cash flow provided / (used) by operating activities</b>   | <b>5,070,751</b>                    | <b>4,139,037</b> | <b>10,218,074</b>                      | <b>9,687,014</b> | <b>9,137,846</b>                      | <b>8,914,650</b> | <b>8,496,962</b>                            | <b>7,365,809</b> | <b>226,213</b>                       | <b>235,330</b> |
| <b>(b) Reconciliation of cash:</b>   |                                     |                  |  |                  |                                       |                  |   |                  |                                      |                |
| Cash balance comprises:  |                                     |                  |  |                  |                                       |                  |   |                  |                                      |                |
| - Cash and deposits  | 18,986,247                          | 14,283,193       | 14,074,794                             | 13,053,402       | 18,596,886                            | 13,403,630       | 101,935,480                                 | 87,544,600       | 639,174                              | 787,742        |
| <b>(c) Non-cash financing and investing activities</b>   |                                     |                  |  |                  |                                       |                  |   |                  |                                      |                |
| Non-cash financing and investing activities  |                                     |                  |  |                  |                                       |                  |   |                  |                                      |                |
| - Reinvestment of investor distributions   | 2,292,761                           | 2,101,835        | 7,512,347                              | 6,798,931        | 6,441,937                             | 6,315,238        | 6,488,131                                   | 5,557,642        | -                                    | -              |

**Cash & cash equivalents**

Cash comprises current deposits with banks. Cash equivalents are short term, highly liquid investments with an original maturity of three months, that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than any other purposes.

Notes to and forming part of the financial report  
For the year ended 30 June 2019

12 Statement of Cash Flows (continued)

|  | Tasmanian Perpetual<br>Australian Share Fund |                  | Tasmanian Perpetual<br>Diversified Property Fund |                  | Tasmanian Perpetual<br>Balanced Fund |                | Tasmanian Perpetual<br>International Share Fund |                  | Tasmanian Perpetual<br>Equity Fund |                |
|--|--|------------------|--|------------------|--------------------------------------|----------------|---|------------------|------------------------------------|----------------|
|  | 2019<br>\$                                   | 2018<br>\$       | 2019<br>\$                                       | 2018<br>\$       | 2019<br>\$                           | 2018<br>\$     | 2019<br>\$                                      | 2018<br>\$       | 2019<br>\$                         | 2018<br>\$     |
| <b>(a) Reconciliation of profit / (loss) from operating activities to the net cash flows provided / (used) by operating activities</b> |  |                  |  |                  |                                      |                |   |                  |                                    |                |
| Profit / (loss) from operating activities  | 2,706,511                                    | 940,536          | 3,347,292  | 2,180,484        | 879,513                              | 2,046,119      | 5,520,061                                       | 7,186,886        | 673,454                            | 438,811        |
| Change in market value of investments  | (746,779)                                    | 6,554,018        | (2,234,527)                                      | 878,434          | (163,507)                            | (189,757)      | (2,774,066)                                     | 7,026,180        | (58,825)                           | 336,363        |
| Capital (gain) / loss on sale of investments   | 18,824                                       | (5,636,469)      | (58,712)   | (1,809,255)      | -                                    | (1,333,677)    | (819,220)                                       | (10,988,849)     | (174,662)                          | (84,959)       |
| (Increase) / decrease in receivables   | -  | -                | -  | -                | -                                    | -              | -   | -                | -                                  | -              |
| (Decrease) / increase in trade and other payables  | 1,703  | -                | 972  | -                | 877                                  | -              | 1,895   | -                | 105                                | -              |
| <b>Net cash flow provided / (used) by operating activities</b>   | <b>1,980,259</b>                             | <b>1,858,085</b> | <b>1,055,025</b>                                 | <b>1,249,663</b> | <b>716,883</b>                       | <b>522,685</b> | <b>1,928,670</b>                                | <b>3,224,217</b> | <b>440,072</b>                     | <b>690,215</b> |
| <b>(b) Reconciliation of cash:</b>   |  |                  |  |                  |                                      |                |   |                  |                                    |                |
| Cash balance comprises:  |  |                  |  |                  |                                      |                |   |                  |                                    |                |
| - Cash and deposits  | 1,926,153                                    | 2,048,787        | 2,060,725  | 1,510,800        | 4,068,829                            | 4,407,723      | 2,347,117                                       | (3,456,540)      | 548,116                            | 768,952        |
| <b>(c) Non-cash financing and investing activities</b>   |  |                  |  |                  |                                      |                |   |                  |                                    |                |
| Non-cash financing and investing activities  |  |                  |  |                  |                                      |                |   |                  |                                    |                |
| - Reinvestment of investor distributions   | 454,386                                      | 401,922          | 77,878   | 164,093          | 407,407                              | 336,542        | 218,970   | 607,973          | 239,785                            | 264,495        |

13 Contingent assets & liabilities

There has been no material change in any contingent assets or contingent liabilities since the last annual reporting date.

14 Segment information

For management purposes, each Fund is organised as one operating segment. Each of the Funds activities are interrelated.

Matters subsequent to the end of the financial period

On 18 July 2019, the Board passed a resolution to close the Tasmanian Perpetual Mortgage Fund. The closure will occur after the September 2019 distribution, with the termination to be completed no later than 15 November 2019. Other than the announced closure of this Fund, since , there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Funds.

## Notes to and forming part of the financial report For the year ended 30 June 2019

### Directors' Declaration

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In accordance with a resolution of the Directors of Tasmanian Perpetual Trustees Limited as Responsible Entity for the following Funds:

- Tasmanian Perpetual At Call Fund;
- Tasmanian Perpetual Fixed Term Fund;
- Tasmanian Perpetual Long Term Fund;
- Tasmanian Perpetual Select Mortgage Fund;
- Tasmanian Perpetual Mortgage Fund;
- Tasmanian Perpetual Australian Share Fund;
- Tasmanian Perpetual Diversified Property Fund;
- Tasmanian Perpetual Balanced Fund;
- Tasmanian Perpetual International Share Fund; and
- Tasmanian Perpetual Equity Fund;

We declare that:

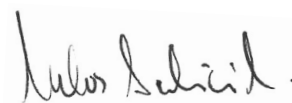
- (a) The financial statements and notes of the Funds:
  - (i) Give a true and fair view of the Funds financial position as at 30 June 2019 and of its performance for the year ending on that date; and
  - (ii) Comply with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) There are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- (c) The financial statements are in accordance with the provisions of the Fund Constitutions.

On behalf of the Board of Tasmanian Perpetual Trustees Limited



**Miles Hampton**  
Chairman

Hobart, 21 August 2019



**Melos Sulicich**  
Managing Director and Chief Executive Officer

Hobart, 21 August 2019

## Independent Auditor's Report

To the Directors of Tasmanian Perpetual Trustees Limited, the Responsible Entity of Tasmanian Perpetual At Call Fund, Tasmanian Perpetual Fixed Term Fund, Tasmanian Perpetual Long Term Fund, Tasmanian Perpetual Select Mortgage Fund, Tasmanian Perpetual Balanced Fund, Tasmanian Perpetual Equity Fund, Tasmanian Perpetual Australian Share Fund, Tasmanian Perpetual International Share Fund, Tasmanian Perpetual Diversified Property Fund and Tasmanian Perpetual Mortgage Fund

## Opinion

We have audited the financial report of Tasmanian Perpetual At Call Fund, Tasmanian Perpetual Fixed Term Fund, Tasmanian Perpetual Long Term Fund, Tasmanian Perpetual Select Mortgage Fund, Tasmanian Perpetual Balanced Fund, Tasmanian Perpetual Equity Fund, Tasmanian Perpetual Australian Share Fund, Tasmanian Perpetual International Share Fund, Tasmanian Perpetual Diversified Property Fund and Tasmanian Perpetual Mortgage Fund (the Funds), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in net assets attributable to investors, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Tasmanian Perpetual At Call Fund, Tasmanian Perpetual Fixed Term Fund, Tasmanian Perpetual Long Term Fund, Tasmanian Perpetual Select Mortgage Fund, Tasmanian Perpetual Balanced Fund, Tasmanian Perpetual Equity Fund, Tasmanian Perpetual Australian Share Fund, Tasmanian Perpetual International Share Fund, Tasmanian Perpetual Diversified Property Fund and Tasmanian Perpetual Mortgage Fund, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of each Fund's financial position as at 30 June 2019 and each Fund's financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Funds in accordance with the auditor



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

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

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

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

In preparing the financial report, the directors are responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate any of the Funds 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read "Joanne Doyle". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

**JOANNE DOYLE**

Partner

Wise Lord & Ferguson

Date: 21 August 2019

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**Tasmanian  
Perpetual  
Trustees**

**1300 138 044**

**info@tptl.com.au**

**[www.tasmanianperpetual.com.au](http://www.tasmanianperpetual.com.au)**

**Tasmanian Perpetual Trustees Limited**

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