



MUTUAL TRUST

Mutual Trust Cash Fund

ARSN 108 504 098

Financial Report for
the Year Ended 30 June 2020

MUTUAL TRUST CASH FUND
ARSN 108 504 098

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DIRECTORS' REPORT

The Directors of Mutual Capital Ltd ("the Responsible Entity"), the Responsible Entity of the Mutual Trust Cash Fund ("the Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2020 and the Auditor's report thereon. The financial report has been prepared in accordance with Australian Accounting Standards.

Responsible Entity

The names and information of the Directors of the Responsible Entity in office during or since the end of the financial year are:

M. H. C. Baillieu (Chairman)	Former stockbroker with over 35 years of investment experience, who holds numerous directorships
J. L. C. McInnes	Founding Partner of accounting firm McInnes, Graham & Gibbs (now merged with Mutual Trust Pty Ltd), who holds numerous directorships
P. A. F. Hay (appointed 1 March 2020)	Current Chairman of a prominent international mining corporation and former Chief Executive Officer of an Asia Pacific commercial law firm, who has held numerous directorships
G. W. Dickinson (resigned 12 March 2020)	Former Chief Executive Officer of the Australian operations of a global investment bank with over 30 years financial services industry experience, who holds numerous directorships

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The investment activities of the Fund continued to be in accordance with the investment policy of the Fund as outlined in the constitution.

The Fund has been established to provide its unitholders with security and a competitive rate of return through holding a portfolio of quality interest bearing securities.

The Fund did not have any employees during the year.

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DIRECTORS' REPORT (CONTINUED)

Review of operations and financial results

The Fund's net operating profit before distributions to unitholders for the current year was \$1,808,944 (2019: \$3,058,283).

The primary drivers of the decrease in operating profit of the Fund were the low interest rate environment negatively impacting the yield provided to the Fund by financial institutions and the increase in management fees due to the higher number of units on issue as a consequence of unit holders holding relatively more of their wealth in cash.

Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Distributions payable in respect of the financial year were:

	2020	2019
	\$	\$
Interim distributions	1,808,944	3,058,283
Final distribution payable	-	-

Unit redemption prices

Redemption unit price (ex-distribution) as at 30 June	1.00	1.00
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Units on Issue

The movement in units on issue of the Fund for the year was as follows:

	2020	2019
Units on issue at 1 July	410,409,585	191,716,691
Number of units issued	3,512,115,304	2,020,886,550
Reinvested distributions	1,808,944	3,058,283
Number of units redeemed	(3,415,743,528)	(1,805,251,939)
Number of units on issue at 30 June	508,590,305	410,409,585
Value of total Fund assets as at 30 June	508,590,305	410,409,585

The basis for valuation of the Fund's assets is disclosed in note 1 to the financial statements

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DIRECTORS' REPORT (CONTINUED)

Remuneration

Any remuneration of the Directors is paid by a related party of the Responsible Entity. The Directors are not provided with any remuneration by the Fund itself. Directors are not entitled to any equity interests in the Fund, or any rights to or options for equity interests in the Fund, as a result of any remuneration provided by the related party of the Responsible Entity.

The Directors of the Responsible Entity do not consider that there is any direct correlation between the level of remuneration provided to Directors of the Responsible Entity and the management fees paid by the Fund to the Responsible Entity in accordance with the Fund Constitution and Product Disclosure Statement.

Interests of the Responsible Entity

The Fund paid the following management fees to the Responsible Entity out of Fund property during the financial year:

	2020 \$	2019 \$
Responsible Entity fees paid directly by the Fund	4,036,195	2,213,695

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the financial year are as follows:

	Number of units held	Total value of units held \$
Mutual Trust Pty Ltd	16,423,193	16,423,193
Mutual Capital Ltd	2,868,393	2,868,393
M. H. C. Baillieu or director related entities ¹²	38,720,068	38,720,068
J. L. C. McInnes or director related entities ¹²	50,660,024	50,660,024
P. A. F. Hay or director related entities ¹²	19,291,586	19,291,586
G. W. Dickinson or director related entities ¹²	22,064,756	22,064,756

1 – Director or director related entities balance of number of units held includes the number of units held by Mutual Trust Pty Ltd

2 –Director or director related entities balance of number of units held includes the number of units held by Mutual Capital Ltd

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DIRECTORS' REPORT (CONTINUED)

Derivatives and other financial instruments

The Fund's investments and trading activities expose it to changes in interest rate variations as well as credit and liquidity risk. The Responsible Entity has approved policies and procedures in each of these areas to manage these exposures.

Significant changes in state of affairs

As referenced above, the higher number of units on issue (thus an increase in the Fund's assets) is mainly due to clients holding relatively more of their wealth in cash as a result of the impact of COVID-19. The decrease in interest rates provided by financial institutions negatively impacted the operating profit of the Fund.

There were no other significant changes in the state of affairs of the Fund that occurred during the financial year ended 30 June 2020.

Likely developments and expected results of operations

The Fund will continue to pursue its policy of providing investors with security at a competitive rate of return through investment in a portfolio of quality interest bearing investments in accordance with the Product Disclosure Statement. In the opinion of the Directors, there are no other likely developments that will influence the operations or the expected results of the Fund.

Environmental regulation

The Fund's operations are not subject to any significant environmental regulations under Commonwealth, State or Territory Legislation.

Subsequent events after balance date

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets. Refer to note 9 financial instruments disclosure.

At the date of signing the financial statements there is significant uncertainty on the likely duration and impact of COVID-19 on world economies. Given the high degree of estimation uncertainty, the Responsible Entity cannot reasonably assess or quantify the potential short or longer term financial impact on the Fund.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

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DIRECTORS' REPORT (CONTINUED)

Indemnification and insurance of Officers and Auditors

The ultimate holding company of the Responsible Entity has agreed to indemnify the Directors and Officers against all liabilities whilst acting in their capacity as a Director or Officer of the Responsible Entity. Insurance premiums have been paid during or since the end of the financial year for Directors and Officers. Premiums are paid by the ultimate holding company, Mutual Trust Pty Ltd on a group wide basis.

The Fund has not indemnified any Auditor of the Fund.

Meetings of Directors of the Responsible Entity

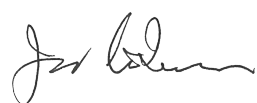
The number of meetings of the Board of Directors held during the year and the number of meetings attended by each member of the Board were as follows:

	Eligible to Attend	Attended
M. H. C. Baillieu (Chairman)	4	3
J. L. C. McInnes	4	4
P. A. F. Hay	2	2
G. W. Dickinson	3	3

Lead Auditor's independence declaration

A copy of the lead Auditor's independence declaration in relation to the audit of Mutual Trust Cash Fund for the financial year is provided with this and forms part of this report.

Signed in accordance with a resolution of the Board of the Responsibility Entity.



Director

Melbourne

27 August 2020




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


To the Directors of Mutual Capital Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Mutual Trust Cash Fund for the financial year ended 30 June 2020 there have been:

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



KPMG



Rachel Milum

Partner

Melbourne

27 August 2020

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
INVESTMENT INCOME			
Interest income		5,893	5,319
Other income		7	4
		<u>5,900</u>	<u>5,323</u>
OPERATING EXPENSES			
Accounting and audit fees		38	41
Management fees paid to the Responsible Entity	10	4,036	2,214
Transaction costs		16	9
Filing fees		1	1
		<u>4,091</u>	<u>2,265</u>
OPERATING PROFIT		<u>1,809</u>	<u>3,058</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>1,809</u></u>	<u><u>3,058</u></u>

The accompanying notes form part of these financial statements

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Cash and cash equivalents	3	507,993	409,457
Interest and other receivables	4	1,042	1,269
TOTAL ASSETS		<u>509,035</u>	<u>410,726</u>
LIABILITIES			
Payables	5	445	316
TOTAL LIABILITIES		<u>445</u>	<u>316</u>
NET ASSETS		<u>508,590</u>	<u>410,410</u>
EQUITY			
Unitholder Funds	7	508,590	410,410
TOTAL EQUITY		<u>508,590</u>	<u>410,410</u>

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
BALANCE AT BEGINNING OF THE FINANCIAL YEAR		410,410	191,717
Proceeds from units issued			
Ordinary Units	7	3,512,115	2,020,887
Units issued on reinvestment of distribution	7	1,809	3,058
Distributions to unitholders	6	(1,809)	(3,058)
Payments for units redeemed			
Ordinary Units	7	(3,415,744)	(1,805,252)
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS UNITHOLDERS		96,371	215,635
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,809	3,058
BALANCE AT END OF THE FINANCIAL YEAR		508,590	410,410

The accompanying notes form part of these financial statements

MUTUAL TRUST CASH FUND
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		6,125	4,864
Other income received		7	4
Payments of management fees to the Responsible Entity		(3,908)	(2,094)
Payments to suppliers		(59)	(46)
Net cash provided by operating activities	8 (ii)	2,165	2,728
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units issued	7	3,512,115	2,020,887
Payment for redemption of units	7	(3,415,744)	(1,805,252)
Net cash provided by financing activities		96,371	215,635
Net increase in cash and cash equivalents		98,536	218,363
Cash at the beginning of the financial year		409,457	191,094
Cash at the end of the financial year	8 (i)	507,993	409,457

The accompanying notes form part of these financial statements

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies

The financial report has been prepared for the Mutual Trust Cash Fund ("the Fund") as an individual entity. The Fund is a registered managed investment fund domiciled in Australia. The Fund is a for-profit fund for the purpose of preparing the financial statements.

The Responsible Entity of the Fund is Mutual Capital Ltd.

The financial report is presented in Australian currency.

The Fund's principal activity is to provide its unitholders with security and a competitive rate of return through holding a portfolio of quality interest bearing securities.

The following is a summary of significant accounting policies adopted by the Fund in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the Directors of the Responsible Entity as at the date of the Directors' report.

a. Basis of preparation

In the opinion of the Responsible Entity, the Fund is publicly accountable. These financial statements are Tier 1 general purpose financial statements that have been prepared in accordance with the Fund's Constitution, Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

b. Statement of compliance

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

c. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call or in term deposits with a bank or financial institution which the Responsible Entity uses in its day to day management of the Fund's cash requirements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies (continued)

d. Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Fund makes an assessment of the objective of the business model in which a financial asset is held that best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies (continued)

e. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

f. Income and expenses

Investment income and expenses are brought to account on an accruals basis. Changes in the fair value of financial assets and liabilities are recognised as revenues or expenses in the Statement of Profit or Loss and Other Comprehensive Income in the year in which the changes occur.

g. Receivables

Receivables include accrued income on interest-bearing securities.

Interest is accrued at the reporting date from the time of last payment.

h. Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies (continued)

i. Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j. Distributions and taxation

Under current legislation the Fund is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unitholders.

In accordance with the Product Disclosure Statement and Constitution, the Fund fully distributes its distributable income to unitholders by cash or reinvestment. Distributable income is determined by reference to the taxable income of the Fund. Distributions paid and payable on units are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs and as a liability when not paid.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies (continued)

k. Unitholders' funds

Unitholders' funds are "puttable instruments" redeemable at the unitholders' option and are classed as equity. Unitholders' funds are carried at the redemption amount that is payable at the balance date if the unitholders exercised their right to put the unit back to the Fund.

Non-distributable income is transferred directly to equity and may consist of unrealised changes in the fair value of the investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income previously taken directly to unitholders' funds. Accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

l. Determination of application and redemption prices

The application and redemption prices are determined by the Responsible Entity, being the value of net assets, which is the value of assets of the Fund less its liabilities other than liabilities representing rights attaching to units, adjusted for estimated transaction costs, divided by the number of units on issue.

m. Goods and Services Tax (GST)

Management fees and other expenses are recognised net of the amount of GST recoverable from the Australian Taxation Office (ATO) as a Reduced Input Tax Credit (RITC).

Payables are stated GST inclusive.

The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, that is inclusive of GST.

n. Adoption of new accounting standards

There were no new material mandatory accounting standards applicable to the Fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Summary of significant accounting policies (continued)

o. Accounting Standards issued but not yet effective

At the date of authorisation of the financial report, the following new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods:

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (effective 1 January 2020);
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia (effective 1 January 2020); and
- Conceptual Framework for Financial Reporting (effective 1 January 2020).

The Directors have assessed that the impact of these accounting standards and interpretations on issue but not yet effective are expected to be minimal.

p. Critical accounting estimates and judgements

The Fund makes certain estimates and assumptions concerning the future which, by definition, will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed as follows:

i. Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
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Note 2: Auditor's remuneration		
Remuneration of the Auditor of the Fund for:		
Audit and assurance services		
– Audit or review of the financial report	34,155	25,000
– Regulatory assurance services	7,245	7,000
Total remuneration for audit services	<u>41,400</u>	<u>32,000</u>
	2020	2019
	\$'000	\$'000
<hr/>		

Note 3: Cash and cash equivalents

Short term deposits – variable rates	167,993	136,457
Short term deposits – fixed rates	<u>340,000</u>	<u>273,000</u>
Total cash and cash equivalents	<u>507,993</u>	<u>409,457</u>

Note 4: Interest and other receivables

Accrued interest	1,021	1,254
GST paid	21	15
	<u>1,042</u>	<u>1,269</u>

Note 5: Payables

Sundry creditors	445	314
Withholding tax payable	-	2
	<u>445</u>	<u>316</u>

Note 6: Distributions

Interim distributions	1,809	3,058
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Reconciliation of net profit to distributable income

Net profit from ordinary activities	1,809	3,058
Distributable income	<u>1,809</u>	<u>3,058</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 7: Unitholders' funds

Movements in unitholders' funds during the year were as follows:

	2020		2019	
	Units	\$	Units	\$
Opening balance	410,409,585	410,409,585	191,716,691	191,716,691
Applications				
Cash – Ordinary Units	3,512,115,304	3,512,115,304	2,020,886,550	2,020,886,550
Reinvested distributions	1,808,944	1,808,944	3,058,283	3,058,283
Redemptions				
Ordinary Units	(3,415,743,528)	(3,415,743,528)	(1,805,251,939)	(1,805,251,939)
Closing balance	508,590,305	508,590,305	410,409,585	410,409,585

Under the Fund constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets. There are no separate classes of units and each unit has the same rights attached to it as all other units of the Fund.

Capital management

When managing capital, management's objective is to ensure the Fund continues to provide unitholders with returns in accordance with its investment objective.

Net unrealised capital gains

Net unrealised gains which would be assessable if realised at 30 June 2020 amounted to nil (2019: nil).

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 8: Notes to the Statement of Cash Flows

i. Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2020 \$'000	2019 \$'000
Short-term deposits	507,993	409,457
Total cash and cash equivalents	507,993	409,457

ii. Reconciliation of net cash provided by operating activities to net operating profit

Net operating profit	1,809	3,058
Changes in assets and liabilities during the financial year:		
Increase in accounts payable	129	132
Decrease / (increase) in interest and other receivables	227	(462)
Net cash provided by operating activities	2,165	2,728

iii. Non-cash investing and unitholder activities

The following non-cash investing and unitholder activities occurred during the year:

	2020		2019	
	Units	\$	Units	\$
Units created in the Fund under the distribution reinvestment plan	1,808,944	1,808,944	3,058,283	3,058,283

The rights and entitlement of each class of units are detailed in the Product Disclosure Statement (PDS) dated 1 September 2018 and the Constitution of the Fund.

As each unit of the Fund represents one dollar, the reinvestment price remains constant at one dollar.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure

The Fund's investment activities expose it to a variety of financial risks: market risk (including fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The overall risk management program focuses on interest rate and liquidity risk. Risk management is carried out by holding interest bearing securities at fixed interest rates at the prevailing three month bank rates.

a. Market risk

The Fund invests in a portfolio of interest-bearing securities with a fixed maturity date and fixed face value. It is generally the intention of the Fund to hold all interest-bearing securities to maturity. The Fund may liquidate interest bearing securities when unitholders redeem their units in large quantities. Market volatility and foreign exchange fluctuations are not a prevalent factor in the Fund's investment portfolio.

Market risks are minimised through the selection of high-quality counterparties, brokers and financial institutions and therefore no material market risks in current and prior years.

b. Liquidity and cash flow risk

The Fund is restricted by provisions of the Fund constitution from entering into derivative contractual arrangements that produce an exposure not covered by sufficient liquid assets or a total investment exposure in excess of total unitholders' funds. The risk management guidelines adopted by the Responsible Entity require coverage to be composed of funds of a cash and cash equivalent nature to ensure the maintenance of the Fund's asset liquidity.

The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining a constant pool of cash and cash equivalents to satisfy usual levels of demand and restricting the investment activities of the Fund to securities that are highly liquid.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure (continued)

Maturity analysis

The table below represents the undiscounted contractual settlement terms for financial instruments and management's expectation for settlement of undiscounted maturities.

30 June 2020	< 6 Months \$'000	6-12 Months \$'000	1-5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Cash and cash equivalents	417,993	90,000	-	507,993	507,993
Other financial assets	1,042	-	-	1,042	1,042
Payables	(445)	-	-	(445)	(445)
Net maturities	418,590	90,000	-	508,590	508,590

30 June 2019	< 6 Months \$'000	6-12 Months \$'000	1-5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Cash and cash equivalents	384,457	25,000	-	409,457	409,457
Other financial assets	1,269	-	-	1,269	1,269
Payables	(316)	-	-	(316)	(316)
Net maturities	385,410	25,000	-	410,410	410,410

c. Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of Statement of Financial Position financial assets and liabilities. The total credit risk for statement of financial position items is therefore limited to the amount carried on the Statement of Financial Position. Credit risk is managed by dealing only with approved deposit taking institutions (ADI's).

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Baa1 to Aa3, based on Moody's Corporation ratings.

As at 30 June 2020 and 30 June 2019, all receivables are held with reputable counterparties and either callable on demand or settled in the short term. Management consider the probability of default to be limited as these instruments have a low risk of default and the counterparties have the capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure (continued)

d. Fair values of financial assets and liabilities

The Fund's financial assets in the statement of financial position are carried at fair value, except for term deposits, loans and receivables which are stated at amortised cost. Financial liabilities included in the Statement of Financial Position are carried at amortised cost. The Directors of the Responsible Entity consider that the carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair values.

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure (continued)

e. Interest rate risk

The Fund's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at balance date are as follows:

30 June 2020	Average Interest Effective rate	Variable Interest Rate	Fixed Interest Rate Maturing in:			Non- Interest Bearing	Total
	%	\$'000	<1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	\$'000	\$'000
i. Financial assets							
Net short-term liquids	1.28%	167,993	340,000	-	-	-	507,993
Sundry debtors and income accrued	-	-	-	-	-	1,042	1,042
		167,993	340,000	-	-	1,042	509,035
ii. Financial liabilities							
Sundry creditors and expenses accrued	-	-	-	-	-	445	445
		-	-	-	-	445	445
Net exposure		167,993	340,000	-	-	597	508,590

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure (continued)

The Fund's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at 30 June 2019 are as follows:

30 June 2019	Average Interest Effective rate	Variable Interest Rate	Fixed Interest Rate Maturing in:			Non- Interest Bearing	Total
			<1 year	1 to 5 years	> 5 years		
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
i. Financial assets							
Net short-term liquids	1.67%	136,457	273,000	-	-	-	409,457
Sundry debtors and income accrued	-	-	-	-	-	1,269	1,269
		136,457	273,000	-	-	1,269	410,726
ii. Financial liabilities							
Sundry creditors and expenses accrued	-	-	-	-	-	316	316
		-	-	-	-	316	316
Net exposure		136,457	273,000	-	-	953	410,410

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 9: Financial instruments disclosure (continued)

f. Interest rate sensitivity analysis

Cashflow interest rate risks are managed through a spread of maturities with fixed, variable and non-interest bearing exposures. There has been no change to the level of exposure to interest rate risks or the manner in which the Fund manages and measures the risk from the previous period.

The effect on the net assets attributable to unitholders and profit or loss due to a reasonably possible change in interest rates with all other variables held constant is indicated in the table below.

30 June 2020	Change in interest rate		Effect on net assets attributable to unitholders and profit or loss	
	Increase basis point	Decrease basis point	Increase \$'000	Decrease \$'000
Interest rates	25	(10)	1,270	(508)

30 June 2019	Change in interest rate		Effect on net assets attributable to unitholders and profit or loss	
	Increase basis point	Decrease basis point	Increase \$'000	Decrease \$'000
Interest rates	100	(100)	4,095	(4,095)

The Fund only holds cash for liquidity and transactional purposes and this cash is held at floating rates of interest.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Related parties

Responsible Entity

The Responsible Entity of the Mutual Trust Cash Fund is Mutual Capital Ltd (ABN 68 100 733 695) whose immediate and ultimate holding company is Mutual Trust Pty Ltd (ABN 71 004 285 330).

Compensation of key management personnel (KMP) of the Responsible Entity

The Directors of the Responsible Entity and other key management personnel during or since the financial period were:

Name	Position
M. H. C. Baillieu (Chairman)	Director - Non-Executive
J. L. C. McInnes	Director - Non-Executive
P. A. F. Hay (appointed 1 March 2020)	Director - Non-Executive
G. W. Dickinson (resigned 12 March 2020)	Director - Non-Executive

Details of remuneration provided to Directors of the Responsible Entity are disclosed in the Directors' report of the Responsible Entity.

No Directors of the Responsible Entity were paid or were due to be paid income directly or indirectly from the Fund or any related party, in connection with the management of the affairs of the Fund.

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

Responsible Entity fees and other transactions

The Fund paid the following management fees to the Responsible Entity out of Fund property during the financial year.

	2020	2019
	\$	\$
Responsible Entity fees paid directly by the Fund	4,036,195	2,213,695

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Related parties (continued)

The management fees (inclusive of investment advisory and custody fees) are calculated in accordance with the Fund's Constitution at the rate of 0.88% (2019: 0.88%) per annum (exclusive of the net impact of GST) of the value of the net assets of the Fund calculated daily.

Balances with related parties

All transactions with related parties are conducted on normal commercial terms and conditions. The aggregate amount payable to related parties by the Fund at balance date is \$409,006 (2019: \$239,118) payable to Mutual Capital Ltd relating to Responsible Entity fees for the month of June 2020.

Related party investments held by the Fund

The Fund has no investment in the Responsible Entity, its related parties or other Funds managed by the Responsible Entity during the year (2019: nil).

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Related parties (continued)

Unitholdings

As at 30 June 2020, the amount of units held in the Fund by key management personnel and their related entities are as follows:

	Number of units held		Total value of units held \$	
	2020	2019	2020	2019
Mutual Trust Pty Ltd	16,423,193	13,416,449	16,423,193	13,416,449
Mutual Capital Ltd	2,868,393	1,927,507	2,868,393	1,927,507
M. H. C. Baillieu or director related entities ^{1 2}	38,720,068	37,387,645	38,720,068	37,387,645
J. L. C. McInnes or director related entities ^{1 2}	50,660,024	17,235,290	50,660,024	17,235,290
P. A. F. Hay or director related entities ^{1 2}	19,291,586	-	19,291,586	-
G. W. Dickinson or director related entities ^{1 2}	22,064,756	16,103,850	22,064,756	16,103,850

1. Director or director related entities balance of number of units held includes the number of units held by Mutual Trust Pty Ltd

2. Director or director related entities balance of number of units held includes the number of units held by Mutual Capital Ltd

During, or since the end of the financial period, none of the key management personnel or related entities held units in the Fund, either directly, indirectly or beneficially, except as noted above.

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 10: Related parties (continued)

30 June 2020						
	Number of units held opening	Number of units held closing	Interest held	Number of units acquired*	No of units disposed	Distributions paid / payable by the Fund
Unitholder	No.	No.	%	No.	No.	\$
Aggregate total of related party unitholdings	70,726,785	130,736,434	25.71	241,512,454	(181,939,383)	436,578
30 June 2019						
	Number of units held opening	Number of units held closing	Interest held	Number of units acquired	Number of units disposed	Distributions paid / payable by the Fund
Unitholder	No.	No.	%	No.	No.	\$
Aggregate total of related party unitholdings	37,045,875	70,726,785	17.23	168,947,341	(135,899,079)	632,647

*Related parties unitholdings acquired as at 30 June 2020 include the acquired unitholdings of P. A. F. Hay who was appointed as a director on 1 March 2020.

MUTUAL TRUST CASH FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 11: Subsequent events after balance date

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets. Refer to note 9 financial instruments disclosure.

At the date of signing the financial statements there is significant uncertainty on the likely duration and impact of COVID-19 on world economies. Given the high degree of estimation uncertainty, the Responsible Entity cannot reasonably assess or quantify the potential short or longer term financial impact on the Fund.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

Note 12: Contingent assets, liabilities and commitments

There were no contingent assets, liabilities or capital commitments as at 30 June 2020 (2019: nil).

Note 13: Responsible Entity Details

The registered office of the Responsible Entity is:

Level 32, 360 Collins Street
Melbourne VIC 3000

The principal place of business is:

Level 32, 360 Collins Street
Melbourne VIC 3000

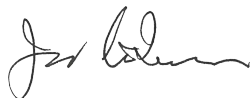
MUTUAL TRUST CASH FUND
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DIRECTORS' DECLARATION

In the opinion of the Directors of Mutual Capital Ltd, the Responsible Entity of Mutual Trust Cash Fund:

1. The financial statements and notes as set out on pages 7 to 30 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australia Accounting Standards and the *Corporations Regulations 2001*;
 - b. give a true and fair view of the financial position of the Fund as at 30 June 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of the Responsible Entity.



Director
Melbourne
27 August 2020



Independent Auditor's Report

To the unitholders of Mutual Trust Cash Fund

Opinion

We have audited the **Financial Report** of Mutual Trust Cash Fund (the Scheme).

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of Financial Position as at 30 June 2020;
- Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

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

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

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in the Scheme's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Mutual Capital Ltd (the Responsible Entity) are responsible for the Other Information.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors of Mutual Capital Ltd (the Responsible Entity) are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

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

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



KPMG



Rachel Milum

Partner

Melbourne

27 August 2020