

THE TRUST COMPANY INVESTMENT FUNDS

ANNUAL FINANCIAL REPORT
30 JUNE 2018

Perpetual Investment Management Limited
ABN 18 000 866 535 AFSL 234426

Perpetual 

**The Trust Company Investment Funds
Annual Financial Report
30 June 2018**

Contents

	Page
Directors' report	2
Lead auditor's independence declaration	6
Statements of comprehensive income	7
Balance sheets	8
Statements of changes in equity	9
Statements of cash flows	10
Notes to the financial statements	11
Directors' declaration	42
Independent auditor's report to the unitholders	43

Directors' report

The directors of Perpetual Investment Management Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of The Trust Company Investment Funds, present their report together with the annual financial report of The Trust Company Investment Funds ("the Schemes") for the year ended 30 June 2018 and the auditor's report thereon.

The following are the Schemes included within this report:

Statutory name	Marketing Name	ARSN
The Trust Company Australian Share Fund	The Trust Company Australian Share Fund	093 447 137
The Trust Company Bond Fund	The Trust Company Fixed Interest Fund ¹	093 447 600
The Trust Company Diversified Property Fund	The Trust Company Property Securities Fund ²	155 454 078
The Trust Company Philanthropy Fund	The Trust Company Philanthropy Fund	129 942 052
The Trust Company Share Imputation Fund	The Trust Company Share Imputation Fund	093 105 732

Responsible Entity

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

Directors

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

D Lane (appointed 20 April 2017)
G Larkins (appointed 7 January 2013)
M Smith (appointed 3 November 2016)
G Foster (appointed 25 January 2013, Alternate for G Larkins)

Principal activities

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

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

The Schemes did not have any employees during the year.

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

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

Directors' report (continued)

Review and results of operations

During the year, the Schemes continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

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

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017	30 June 2018 \$'000	30 June 2017	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Operating profit/(loss)	2,879	4,916	3,808	4,682	5,542	(206)	13,255	20,771	3,525	5,415
Distributions paid and payable	2,696	3,435	4,381	3,976	8,571	3,229	19,165	23,579	2,555	3,097
Distributions (cents per unit)	21.02	17.76	3.59	2.98	22.63	8.09	5.50	7.05	13.52	13.68

Interests in the Schemes

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

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

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

Significant changes in state of affairs

On 29 September 2017, the Responsible Entity announced that it has elected into the Attribution Managed Investment Trust (AMIT) regime for the Schemes for the year ending 30 June 2018 and subsequent years. The Schemes are therefore no longer contractually obliged to pay distributions as disclosed in note 1 to the financial statements.

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

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

Directors' report (continued)

Likely developments and expected results of operations

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

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

Environmental regulation

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

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

Fees paid to the Responsible Entity and its related parties out of Schemes' properties during the year are disclosed in note 12 to the financial statements.

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

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

Indemnification and insurance of officers and auditors

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

Directors' report (continued)


Rounding of amounts to the nearest thousand dollars

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

Lead auditor's independence declaration

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

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



Director

Sydney
19 September 2018



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

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

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

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2018, 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

Jessica Davis

Partner

Sydney

19 September 2018

The Trust Company Investment Funds
Statements of comprehensive income
For the year ended 30 June 2018

Statements of comprehensive income

	Notes	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Investment income											
Dividend/distribution income		1,151	1,683	4,906	4,596	2,291	2,311	19,783	15,333	1,490	1,899
Interest income		27	35	13	13	8	16	134	288	44	41
Net gains/(losses) on financial instruments held at fair value through profit or loss	3	2,116	3,813	(574)	671	3,629	(2,081)	(5,351)	6,503	2,544	4,203
Net foreign exchange gains/(losses)		(3)	(2)	-	-	-	-	-	-	(4)	(3)
Other income		-	-	-	-	-	-	13	-	-	-
Total net investment income/(loss)		3,291	5,529	4,345	5,280	5,928	246	14,579	22,124	4,074	6,140
Expenses											
Responsible Entity's fees	12	285	427	489	544	318	376	1,282	1,301	407	523
Other operating expenses	4	127	186	48	54	68	76	42	52	142	202
Total expenses		412	613	537	598	386	452	1,324	1,353	549	725
Operating profit/(loss)		2,879	4,916	3,808	4,682	5,542	(206)	13,255	20,771	3,525	5,415
Finance costs attributable to unitholders											
Distributions to unitholders*	5	-	3,435	-	3,976	-	3,229	-	23,579	-	3,097
Changes in net assets attributable to unitholders*	6	-	1,481	-	706	-	(3,435)	-	(2,808)	-	2,318
Profit/(loss)		2,879	-	3,808	-	5,542	-	13,255	-	3,525	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		2,879	-	3,808	-	5,542	-	13,255	-	3,525	-

*Effective from 1 July 2017, distributions to unitholders and changes in net assets attributable to unitholders have been disclosed in the statements of changes in equity due to the AMIT tax regime implementation. These were disclosed in the above statements for the comparative year.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

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

The Trust Company Investment Funds
Balance sheets
As at 30 June 2018

Balance sheets	Notes	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Assets											
Cash and cash equivalents	10(b)	1,950	2,483	994	1,054	511	578	4,057	15,584	3,904	2,275
Financial assets held at fair value through profit or loss	7	23,356	35,279	119,606	124,872	27,480	46,417	264,792	258,819	33,870	40,879
Receivables for securities sold		11	143	-	-	18,728	-	-	-	9	173
Receivables	8	147	209	1,376	1,678	705	704	11,487	6,841	209	247
Total assets		25,464	38,114	121,976	127,604	47,424	47,699	280,336	281,244	37,992	43,574
Liabilities											
Distributions payable to unitholders of the Schemes	5	1,964	2,460	1,354	1,674	7,731	2,410	13,316	18,509	1,714	2,109
Payables for securities purchased		70	339	-	-	-	-	-	-	125	319
Payables	9	53	76	223	69	27	65	145	151	71	87
Total liabilities (excluding net assets attributable to unitholders)		2,087	2,875	1,577	1,743	7,758	2,475	13,461	18,660	1,910	2,515
Net assets attributable to unitholders - liability*	6	-	35,239	-	125,861	-	45,224	-	262,584	-	41,059
Net assets attributable to unitholders - equity*	6	23,377	-	120,399	-	39,666	-	266,875	-	36,082	-

* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

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

**The Trust Company Investment Funds
Statements of changes in equity
For the year ended 30 June 2018**

Statements of changes in equity

		The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	Notes	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Total equity at the beginning of the year											
Reclassification due to AMIT tax regime implementation*	6	35,239	-	125,861	-	45,224	-	262,584	-	41,059	-
Comprehensive income for the year											
Profit/(loss)		2,879	-	3,808	-	5,542	-	13,255	-	3,525	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		2,879	-	3,808	-	5,542	-	13,255	-	3,525	-
Transactions with unitholders											
Applications	6	68	-	18,093	-	781	-	15,449	-	1,704	-
Redemptions	6	(12,228)	-	(24,380)	-	(5,156)	-	(5,248)	-	(7,794)	-
Units issued upon reinvestment of distributions	6	115	-	1,398	-	1,846	-	-	-	143	-
Distributions to unitholders	5,6	(2,696)	-	(4,381)	-	(8,571)	-	(19,165)	-	(2,555)	-
Total transactions with unitholders		(14,741)	-	(9,270)	-	(11,100)	-	(8,964)	-	(8,502)	-
Total equity at the end of the year*	6	23,377	-	120,399	-	39,666	-	266,875	-	36,082	-

* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statement for the year ended 30 June 2018. There were no equity transactions for the comparative year.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

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

**The Trust Company Investment Funds
Statements of cash flows
For the year ended 30 June 2018**

Statements of cash flows

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund		
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash flows from operating activities											
Dividends/distributions received	1,206	1,765	5,206	6,212	2,286	2,335	15,135	15,809	1,522	1,961	
Interest received	27	37	13	14	8	18	135	308	44	45	
Other income received	36	55	41	44	31	40	111	91	45	52	
Responsible Entity's fees paid	(317)	(470)	(527)	(593)	(373)	(407)	(1,367)	(1,391)	(443)	(571)	
Other operating expenses paid	(147)	(187)	(57)	(54)	(78)	(78)	(53)	(49)	(160)	(202)	
Net cash inflow/(outflow) from operating activities	10(a)	805	1,200	4,676	5,623	1,874	1,908	13,961	14,768	1,008	1,285
Cash flows from investing activities											
Proceeds from sale of investments	25,776	40,524	25,248	35,520	9,644	7,456	29,548	3,500	26,609	43,185	
Payments for purchase of investments	(11,877)	(24,586)	(20,556)	(7,712)	(5,806)	(4,363)	(40,872)	(28,799)	(17,090)	(28,815)	
Net cash inflow/(outflow) from investing activities		13,899	15,938	4,692	27,808	3,838	3,093	(11,324)	(25,299)	9,519	14,370
Cash flows from financing activities											
Proceeds from applications by unitholders	68	1,124	18,093	3,660	781	3,359	15,449	19,533	1,703	3,604	
Payments for redemptions by unitholders	(12,228)	(16,245)	(24,218)	(31,793)	(5,156)	(4,691)	(5,255)	(1,009)	(7,794)	(16,176)	
Distributions paid	(3,077)	(2,080)	(3,303)	(5,025)	(1,404)	(4,316)	(24,358)	(9,664)	(2,807)	(4,223)	
Net cash inflow/(outflow) from financing activities		(15,237)	(17,201)	(9,428)	(33,158)	(5,779)	(5,648)	(14,164)	8,860	(8,898)	(16,795)
Net increase/(decrease) in cash and cash equivalents		(533)	(63)	(60)	273	(67)	(647)	(11,527)	(1,671)	1,629	(1,140)
Cash and cash equivalents at the beginning of the year		2,483	2,546	1,054	781	578	1,225	15,584	17,255	2,275	3,415
Cash and cash equivalents at the end of the year	10(b)	1,950	2,483	994	1,054	511	578	4,057	15,584	3,904	2,275

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

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

1 General information

This annual financial report covers The Trust Company Investment Funds ("the Schemes"). The Schemes are registered managed investment schemes under the *Corporations Act 2001*. The Schemes are domiciled in Australia.

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

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

The annual financial report was authorised for issue by the directors of the Responsible Entity on 19 September 2018. The directors of the Responsible Entity have the power to amend and reissue the annual financial report.

Reclassification of units from financial liability to equity

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the *Tax Law Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust (AMIT) regime allows the Schemes that meet certain requirements to make an irrevocable choice to be an AMIT. The Schemes' Constitutions have been amended to allow them to operate as an AMIT and the conditions to adopt the AMIT tax regime have been met. The Responsible Entity elected into the AMIT regime for the Schemes effective from 1 July 2017 and the Schemes are therefore no longer contractually obliged to pay distributions. Consequently the units in the Schemes have been reclassified from financial liability to equity from 1 July 2017.

2 Summary of significant accounting policies

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

(a) Basis of preparation

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

The annual financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards

The annual financial report of the Schemes also complies with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Schemes' functional currency.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Use of estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial years. These estimates and associated assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

New and amended standards adopted by the Schemes

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Schemes.

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published, but are not yet mandatory and have not been early adopted by the Schemes for the reporting period ended 30 June 2018. The assessment of the impact of these new standards (to the extent relevant to the Schemes) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments) (effective for financial reporting periods beginning on or after 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has also introduced revised rules around hedge accounting and impairment. The standard is available for early adoption.

Management has concluded that the adoption of this standard does not have a significant impact on the recognition and measurement of the Schemes' financial instruments as they are carried at fair value through profit or loss. The Schemes do not hold debt instruments that could result in a reclassification of financial instruments to amortised cost or fair value through other comprehensive income. The derecognition rules have not been changed from the previous requirements and the Schemes do not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Schemes' investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Schemes.

(ii) AASB 15 *Revenue from Contracts with Customers* (effective for financial reporting periods beginning on or after 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Schemes' main sources of income are interest, dividends/distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. Management has concluded that the new revenue recognition rules do not have a significant impact on the Schemes' accounting policies or the amounts recognised in the financial statements.

2 Summary of significant accounting policies (continued)

(c) Financial instruments

(i) Classification

The Schemes' investments are classified at fair value through profit or loss. They comprise:

- Financial instruments held for trading

All derivatives are classified as held for trading. The Schemes do not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debts, equity instruments, unlisted unit trusts and commercial papers.

These investments are managed and their performance is evaluated on a fair value basis in accordance with the investment strategy of each Scheme.

(ii) Recognition/derecognition

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

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

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 14(d).

(iv) Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

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

The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to unitholders. The units are carried at the redemption amount that is payable at the balance sheet date if the unitholders exercise their right to put the units back to the Schemes.

Prior to 1 July 2017, the units were classified as financial liability as the Schemes were required to distribute their distributable income in accordance with the Schemes' Constitutions. Effective from 1 July 2017, the units have been reclassified from financial liability to equity as the Schemes satisfy all criteria for the classification of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*. The Schemes' Constitutions have been amended and they no longer have contractual obligation to pay distributions to unitholders after electing to the AMIT regime effective from 1 July 2017.

(e) Cash and cash equivalents

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

Margin accounts comprise of cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

(f) Receivables

Receivables include accrued income and application monies receivable. Receivables are measured at their nominal amounts. Amounts are generally received within 30 days of being accrued for. Given the short term nature of most receivables, the nominal amount approximates fair value.

(g) Payables

Payables include accrued expenses and redemption monies owing by the Schemes which are unpaid at the end of the reporting date. Amounts are generally paid within 30 days of being accrued for. Given the short term nature of most payables, the nominal amount approximates fair value.

(h) Investment income

Interest income on cash balances is recognised in profit or loss as it accrues using the nominated interest rates available on the bank accounts held.

Dividend income is recognised on the ex-dividend date. Trust distributions (including distributions from cash management trusts) are recognised on the ex-distribution date.

Other income is brought to account on an accruals basis.

2 Summary of significant accounting policies (continued)

(i) Expenses

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

(j) Income tax

The Schemes are not subject to income tax provided the taxable income of the Schemes is attributed in full to their unitholders each financial year either by way of cash or reinvestment. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them effective from 1 July 2017. Prior to this date, unitholders were presently entitled to the income of the Schemes and were taxed on the distribution income paid by the Schemes.

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

(k) Goods and Services Tax

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

(l) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

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

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Net unrealised gains/(losses) on financial instruments held for trading	3	-	-	(3)	-	-	-	-	7	-
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	(256)	1,157	(462)	792	559	(3,750)	(5,992)	6,562	402	1,684
Net realised gains/(losses) on financial instruments held for trading	7	-	(2)	(31)	-	-	-	-	12	-
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	2,362	2,656	(110)	(87)	3,070	1,669	641	(59)	2,123	2,519
Net gains/(losses) on financial instruments held at fair value through profit or loss	2,116	3,813	(574)	671	3,629	(2,081)	(5,351)	6,503	2,544	4,203

4 Other operating expenses

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Transaction costs	55	98	-	-	13	18	-	-	64	107
Sundry expenses	72	88	48	54	55	58	42	52	78	95
Total	127	186	48	54	68	76	42	52	142	202

Sundry expenses include audit fees, custody fees, printing fees and other expenses incurred by the Schemes.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

5 Distributions to unitholders

The distributions for the year were as follows:

	The Trust Company Australian Share Fund				The Trust Company Fixed Interest Fund¹			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	174	1.04	556	2.27	660	0.56	978	0.67
Distributions paid - December	366	2.53	216	0.99	1,117	0.90	1,324	0.98
Distributions paid - March	192	1.45	203	1.04	1,250	1.01	-	-
Distributions payable - June	1,964	16.00	2,460	13.46	1,354	1.12	1,674	1.33
Total distributions	2,696		3,435		4,381		3,976	

	The Trust Company Property Securities Fund²				The Trust Company Philanthropy Fund			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2017	2017	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	213	0.53	175	0.43	2,159	0.62	2,020	0.62
Distributions paid - December	342	0.86	326	0.81	1,912	0.55	1,987	0.60
Distributions paid - March	285	0.74	318	0.79	1,778	0.51	1,063	0.32
Distributions payable - June	7,731	20.50	2,410	6.06	13,316	3.82	18,509	5.51
Total distributions	8,571		3,229		19,165		23,579	

	The Trust Company Share Imputation Fund			
	30 June	30 June	30 June	30 June
	2018	2018	2017	2017
	\$'000	CPU	\$'000	CPU
Distributions paid - September	198	0.95	217	0.79
Distributions paid - December	423	2.11	559	2.17
Distributions paid - March	220	1.18	212	0.90
Distributions payable - June	1,714	9.28	2,109	9.82
Total distributions	2,555		3,097	

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

6 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Schemes shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Schemes classified their net assets attributable to unitholders as financial liability in accordance with AASB 132. As disclosed in note 1, the Schemes' Constitutions have been amended and they no longer have contractual obligation to pay distributions to unitholders after electing to AMIT regime effective from 1 July 2017. Therefore the net assets attributable to unitholders of the Schemes meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unitholders from financial liability to equity, the Schemes' distributions are no longer classified as finance cost in the statement of comprehensive income, but rather as transactions with unitholders in the statement of changes in equity.

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

	The Trust Company Australian Share Fund				The Trust Company Fixed Interest Fund¹			
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance*	18,277	25,682	35,239	48,831	125,492	152,093	125,861	151,823
Applications	34	548	68	1,124	17,838	3,647	18,093	3,660
Redemptions	(6,094)	(7,977)	(12,228)	(16,245)	(24,117)	(31,709)	(24,380)	(31,786)
Units issued upon reinvestment of distributions	59	24	115	48	1,389	1,461	1,398	1,458
Changes in net assets attributable to unitholders	-	-	-	1,481	-	-	-	706
Distributions to unitholders	-	-	(2,696)	-	-	-	(4,381)	-
Profit/(loss)	-	-	2,879	-	-	-	3,808	-
Closing balance*	12,276	18,277	23,377	35,239	120,602	125,492	120,399	125,861

* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

6 Net assets attributable to unitholders (continued)

	The Trust Company Property Securities Fund ²				The Trust Company Philanthropy Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
Net assets attributable to unitholders								
Opening balance*	39,775	37,325	45,224	45,572	335,924	313,117	262,584	246,875
Applications	652	2,715	781	3,359	19,449	24,045	15,449	19,533
Redemptions	(4,319)	(3,852)	(5,156)	(4,677)	(6,599)	(1,238)	(5,248)	(1,016)
Units issued upon reinvestment of distributions	1,597	3,587	1,846	4,405	-	-	-	-
Changes in net assets attributable to unitholders	-	-	-	(3,435)	-	-	-	(2,808)
Distributions to unitholders	-	-	(8,571)	-	-	-	(19,165)	-
Profit/(loss)	-	-	5,542	-	-	-	13,255	-
Closing balance*	37,705	39,775	39,666	45,224	348,774	335,924	266,875	262,584

	The Trust Company Share Imputation Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	30 June 2018 \$'000	30 June 2017 \$'000
Net assets attributable to unitholders				
Opening balance*	21,468	27,727	41,059	51,256
Applications	857	1,776	1,704	3,484
Redemptions	(3,924)	(8,121)	(7,794)	(16,161)
Units issued upon reinvestment of distributions	74	86	143	162
Changes in net assets attributable to unitholders	-	-	-	2,318
Distributions to unitholders	-	-	(2,555)	-
Profit/(loss)	-	-	3,525	-
Closing balance*	18,475	21,468	36,082	41,059

* Net assets attributable to unitholders are classified as equity at 30 June 2018 and as financial liability at 30 June 2017.

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

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

6 Net assets attributable to unitholders (continued)

Capital risk management

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

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

7 Financial assets held at fair value through profit or loss

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Held for trading										
Futures	3	-	-	-	-	-	-	-	7	-
	3	-	-	-	-	-	-	-	7	-
Designated at fair value through profit or loss										
Equities	23,353	35,279	-	-	27,480	29,265	-	-	33,863	40,879
Unlisted unit trusts	-	-	119,606	124,872	-	17,152	264,792	258,819	-	-
	23,353	35,279	119,606	124,872	27,480	46,417	264,792	258,819	33,863	40,879
Total financial assets held at fair value through profit or loss	23,356	35,279	119,606	124,872	27,480	46,417	264,792	258,819	33,870	40,879

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

8 Receivables

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Dividends/distributions receivable	137	192	1,362	1,662	696	691	11,453	6,805	194	226
Interest receivable	-	-	-	-	-	-	-	1	-	-
Applications receivable	-	-	-	-	-	-	-	-	1	-
Other receivables	10	17	14	16	9	13	34	35	14	21
Total receivables	147	209	1,376	1,678	705	704	11,487	6,841	209	247

9 Payables

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Responsible Entity's fees payable	21	32	42	44	1	33	127	118	34	40
Other fees payable	32	44	19	25	26	32	18	26	37	47
Redemptions payable	-	-	162	-	-	-	-	7	-	-
Total payables	53	76	223	69	27	65	145	151	71	87

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

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

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities										
Operating profit/(loss)	2,879	4,916	3,808	4,682	5,542	(206)	13,255	20,771	3,525	5,415
(Increase)/decrease in dividends/distributions receivable	55	82	300	1,616	(5)	24	(4,648)	476	32	62
(Increase)/decrease in interest receivable	-	2	-	1	-	2	1	20	-	4
(Increase)/decrease in other receivables	7	10	2	1	4	8	1	(8)	7	-
Increase/(decrease) in payables	(23)	1	(8)	(6)	(38)	(1)	1	12	(16)	4
Net (gains)/losses on financial instruments held at fair value through profit or loss	(2,116)	(3,813)	574	(671)	(3,629)	2,081	5,351	(6,503)	(2,544)	(4,203)
Net foreign exchange (gains)/losses	3	2	-	-	-	-	-	-	4	3
Net cash inflow/(outflow) from operating activities	805	1,200	4,676	5,623	1,874	1,908	13,961	14,768	1,008	1,285
(b) Components of cash and cash equivalents										
Cash at the end of the year as shown in the statements of cash flows is reconciled to the balance sheets as follows:										
Cash at bank	1,941	2,483	994	1,054	511	578	4,057	15,584	3,886	2,275
Margin accounts	9	-	-	-	-	-	-	-	18	-
Total cash and cash equivalents	1,950	2,483	994	1,054	511	578	4,057	15,584	3,904	2,275
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plans	115	48	1,398	1,458	1,846	4,405	-	-	143	162

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

11 Remuneration of auditors

The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16,821	17,117	10,553	11,435	16,821	17,117	10,553	11,435	22,278	22,194

Amount received or due and receivable by
KPMG:
Audit and review of financial report and
compliance plans

Audit fees were paid or payable by the Schemes.

12 Related party transactions

Responsible Entity

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

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

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

12 Related party transactions (continued)

Key management personnel

(a) Directors

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

D Lane (appointed 20 April 2017)

G Larkins (appointed 7 January 2013)

M Smith (appointed 3 November 2016)

G Foster (appointed 25 January 2013, Alternate for G Larkins)

(b) Other key management personnel

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

Key management personnel unitholdings

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

No key management personnel of the Responsible Entity held units in the Schemes as at 30 June 2018 (2017: nil).

Transactions with key management personnel

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

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

12 Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms of the Schemes' Constitutions (as amended), the Responsible Entity is entitled to receive management fees calculated by reference to the net asset value of the Schemes. Where the Schemes invest into other schemes, the Responsible Entity's fees are calculated after rebating management fees charged by the underlying schemes.

Schemes	Responsible Entity's fees
The Trust Company Australian Share Fund	0.950%
The Trust Company Fixed Interest Fund ¹	0.720%
The Trust Company Property Securities Fund ² (effective from 1 June 2018)*	0.300%
The Trust Company Philanthropy Fund	1.120%
The Trust Company Share Imputation Fund	1.025%

*Prior to 1 June 2018, the Responsible Entity's fees were 1.025%.

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

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees paid and payable	285,402	427,253	488,577	544,004	318,139	375,881	1,282,491	1,301,371	406,521	522,655
Fees payable to the Responsible Entity	21,191	31,608	42,451	44,244	685	32,967	126,631	117,850	33,552	39,821

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

12 Related party transactions (continued)

Related party unitholdings

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

	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
The Trust Company Fixed Interest Fund¹										
Unitholders										
The Trust Company Philanthropy Fund	44,748	37.1	17,137	3,968	1,458	31,579	25.2	1,430	2,981	937
	Number of	Interest	Number of	Number of	Distributions	Number of	Interest	Number of	Number of	Distributions
	units held	held	units	units	paid/payable	units held	held	units	units	paid/payable
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	'000	%	'000	'000	\$'000	'000	%	'000	'000	\$'000
The Trust Company Property Securities Fund²										
Unitholders										
The Trust Company Philanthropy Fund	22,941	60.8	1,590	836	5,197	22,187	55.8	3,573	-	1,791

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

12 Related party transactions (continued)

Investments

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

The Trust Company Fixed Interest Fund ¹	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions	
	units held	investments	held	units	units	received/							
	30 June	30 June	30 June	acquired	disposed	received/							
2018	2018	2018	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
'000	\$'000	%	'000	'000	'000	\$'000	'000	\$'000	%	'000	'000	'000	
Investments													
Perpetual Active Fixed Interest Fund	48,292	49,105	13.9	6,174	12,224	1,330	54,342	54,847	16.2	2,795	7,378	1,579	
Perpetual Credit Income Fund	67,933	70,501	10.8	13,472	12,154	3,576	66,615	70,025	9.1	4,656	24,895	3,017	

The Trust Company Philanthropy Fund	Number of	Fair value of	Interest	Number of	Number of	Distributions	Number of	Fair value of	Interest	Number of	Number of	Distributions
	units held	investments	held	units	units	received/						
	30 June	30 June	30 June	acquired	disposed	received/						
2018	2018	2018	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
'000	\$'000	%	'000	'000	'000	\$'000	'000	\$'000	%	'000	'000	'000
Investments												
Perpetual Credit Income Fund	-	-	-	74	3,601	43	3,527	3,708	0.5	604	-	135
Perpetual Defensive Alternatives Pool Fund	44,411	40,089	10.4	2,734	553	1,459	42,230	37,965	11.0	9,598	-	1,466
Perpetual Growth Alternatives Pool Fund	21,070	28,182	4.4	1,017	1,165	1,355	21,218	28,171	4.8	1,729	-	2,297
Perpetual Institutional Cash Management Trust	4,186	4,186	0.3	3,065	3,500	63	4,621	4,621	0.4	3,065	-	78
Perpetual Private Credit Pooled Fund	-	-	-	3,832	3,832	28	-	-	-	-	-	-
Perpetual Wholesale Income Share Fund	101,106	123,621	80.9	8,493	6,377	10,116	98,990	124,108	80.0	6,341	-	8,462
The Trust Company Fixed Interest Fund ¹	44,748	44,681	37.1	17,137	3,968	1,458	31,579	31,678	25.2	1,430	2,981	937
The Trust Company Property Securities Fund ²	22,941	24,033	60.8	1,590	836	5,197	22,187	25,316	55.8	3,573	-	1,791

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

13 Structured entities

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

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

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

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

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

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

There are no significant restrictions on the ability of the structured entities to transfer funds to the Schemes in the form of cash distributions.

Unconsolidated subsidiaries

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

The following unconsolidated structured entities are considered to be the Schemes' subsidiaries at the reporting date:

	The Trust Company Philanthropy Fund			
	Fair value		Ownership interest	
	30 June	30 June	30 June	30 June
	2018	2017	2018	2017
	\$'000	\$'000	%	%
Perpetual Wholesale Income Share Fund	123,621	124,108	80.9	80.0
The Trust Company Property Securities Fund ²	24,033	25,316	60.8	55.8

Each of the above subsidiaries is domiciled in Australia.

² *The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.*

14 Financial risk management

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

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

All securities investments present a risk of loss of capital. The maximum loss of capital on long equities and unlisted unit trusts is limited to the fair values of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

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

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

(a) Market risk

(i) Currency risk

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

The Schemes did not have any significant direct exposure to currency risk at the reporting date.

(ii) Interest rate risk

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

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

14 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

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

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

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

	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Derivatives*	3	-	-	-	-	-	-	-	7	-
Equities*	23,353	35,279	-	-	-	-	-	-	-	-
Units in fixed income trusts	-	-	119,606	124,872	-	-	44,681	38,638	-	-
Units in equity and other trusts*	-	-	-	-	27,480	46,417	215,925	215,560	33,863	40,879

*Equities and equity related securities.

The table presented in note 14(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

14 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

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

Impact on operating profit/net assets attributable to unitholders											
	Sensitivity rates	The Trust Company Australian Share Fund		The Trust Company Fixed Interest Fund ¹		The Trust Company Property Securities Fund ²		The Trust Company Philanthropy Fund		The Trust Company Share Imputation Fund	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Price risk											
Equities and equity related securities	+10%	2,336	-	-	-	2,748	-	21,593	-	3,387	-
	-10%	(2,336)	-	-	-	(2,748)	-	(21,593)	-	(3,387)	-
	+15%	-	5,292	-	-	-	6,963	-	32,334	-	6,132
	-15%	-	(5,292)	-	-	-	(6,963)	-	(32,334)	-	(6,132)
Units in fixed income trusts	+5%	-	-	5,980	6,244	-	-	2,234	1,932	-	-
	-5%	-	-	(5,980)	(6,244)	-	-	(2,234)	(1,932)	-	-

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

14 Financial risk management (continued)

(b) Credit risk

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

(i) Derivative financial instruments

The risk of counterparty default in a derivative transaction is minimised by predominantly using exchange traded derivatives (except for currency hedging, contracts for differences, and occasionally other approved over the counter instruments). The exchange traded derivatives are only executed and cleared through approved members of the exchanges. For over the counter derivatives, minimum credit ratings apply for counterparties at the time of entering into a contract and ISDA agreements are put in place with counterparties.

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A or higher (as determined by Standard & Poor's).

(iii) Receivables for securities sold

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

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

(c) Liquidity risk

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

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

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

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

14 Financial risk management (continued)

(c) Liquidity risk (continued)

In order to manage the Schemes' overall liquidity, asset managers will only purchase securities (including derivatives) which meet the Schemes' investment criteria, including the assessment of saleability in different market conditions. The Schemes' investment strategy generally defines a minimum liquidity level for the Schemes which is monitored regularly. The Responsible Entity has the discretion to reject an application and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Schemes did not reject or withhold any redemptions during the reporting period.

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

	30 June 2018			30 June 2017		
	Carrying amount \$'000	At call \$'000	Less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Less than 6 months \$'000
The Trust Company Australian Share Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,964	-	1,964	2,460	-	2,460
Payables for securities purchased	70	-	70	339	-	339
Payables	53	-	53	76	-	76
Net assets attributable to unitholders - liability	-	-	-	35,239	35,239	-
Total	2,087	-	2,087	38,114	35,239	2,875
The Trust Company Fixed Interest Fund¹						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,354	-	1,354	1,674	-	1,674
Payables	223	-	223	69	-	69
Net assets attributable to unitholders - liability	-	-	-	125,861	125,861	-
Total	1,577	-	1,577	127,604	125,861	1,743

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

14 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	30 June 2018			30 June 2017		
	Contractual cash flows			Contractual cash flows		
	Carrying amount \$'000	At call \$'000	Less than 6 months \$'000	Carrying amount \$'000	At call \$'000	Less than 6 months \$'000
The Trust Company Property Securities Fund²						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	7,731	-	7,731	2,410	-	2,410
Payables	27	-	27	65	-	65
Net assets attributable to unitholders - liability	-	-	-	45,224	45,224	-
Total	7,758	-	7,758	47,699	45,224	2,475
The Trust Company Philanthropy Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	13,316	-	13,316	18,509	-	18,509
Payables	145	-	145	151	-	151
Net assets attributable to unitholders - liability	-	-	-	262,584	262,584	-
Total	13,461	-	13,461	281,244	262,584	18,660
The Trust Company Share Imputation Fund						
Non-derivative financial liabilities						
Distributions payable to unitholders of the Scheme	1,714	-	1,714	2,109	-	2,109
Payables for securities purchased	125	-	125	319	-	319
Payables	71	-	71	87	-	87
Net assets attributable to unitholders - liability	-	-	-	41,059	41,059	-
Total	1,910	-	1,910	43,574	41,059	2,515

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

14 Financial risk management (continued)

(d) Fair value measurement

The Schemes classify fair value measurement of their financial assets and liabilities using a fair value hierarchy model that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of exchange traded financial assets and liabilities, information provided by the independent pricing services is relied upon for valuation.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Listed securities and exchange traded derivatives are valued at the last traded price. Investments in unlisted unit trusts that are considered actively traded are recorded at the redemption value per unit as reported by the investment managers of such trusts.

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

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

Some of the inputs to a valuation model may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such trusts.

As at 30 June 2017, the Trust Company Diversified Property Fund held investments in an unlisted unit trust that is classified as level 3. The unlisted unit trust has significant exposure to property which valuation may use significant unobservable inputs. The Scheme obtained the unit prices which approximate fair values from the relevant investment manager without any adjustments and did not calculate any unobservable inputs itself. The Scheme disposed of this investment on 29 June 2018.

No other Schemes held financial instruments with fair value measurements using significant unobservable inputs (level 3) at 30 June 2018 and 30 June 2017.

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The following tables present the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Trust Company Australian Share Fund								
Financial assets								
Financial assets held for trading:								
Futures	3	-	-	3	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equities	23,353	-	-	23,353	35,279	-	-	35,279
Total	23,356	-	-	23,356	35,279	-	-	35,279
The Trust Company Fixed Interest Fund¹								
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	-	119,606	-	119,606	-	124,872	-	124,872
Total	-	119,606	-	119,606	-	124,872	-	124,872
The Trust Company Property Securities Fund²								
Financial assets								
Financial assets designated at fair value through profit or loss:								
Equities	27,480	-	-	27,480	29,265	-	-	29,265
Unlisted unit trusts	-	-	-	-	-	-	17,152	17,152
Total	27,480	-	-	27,480	29,265	-	17,152	46,417

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

14 Financial risk management (continued)

(d) Fair value measurement (continued)

The following table presents the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Trust Company Philanthropy Fund								
Financial assets								
Financial assets designated at fair value through profit or loss:								
Unlisted unit trusts	4,186	260,606	-	264,792	4,621	254,198	-	258,819
Total	4,186	260,606	-	264,792	4,621	254,198	-	258,819
The Trust Company Share Imputation Fund								
Financial assets								
Financial assets held for trading:								
Futures	7	-	-	7	-	-	-	-
Financial assets designated at fair value through profit or loss:								
Equities	33,863	-	-	33,863	40,879	-	-	40,879
Total	33,870	-	-	33,870	40,879	-	-	40,879

Transfers between levels

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

There were no transfers between levels for the years ended 30 June 2018 and 30 June 2017.

14 Financial risk management (continued)

(d) Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments, by class of financial instruments, for the years ended 30 June 2018 and 30 June 2017:

	30 June 2018		30 June 2017	
	Unlisted unit trusts \$'000	Total \$'000	Unlisted unit trusts \$'000	Total \$'000
The Trust Company Property Securities Fund²				
Opening balance	17,152	17,152	15,835	15,835
Sales	(18,728)	(18,728)	-	-
Gains/(losses) recognised in profit or loss	1,576	1,576	1,317	1,317
Closing balance	-	-	17,152	17,152
Total unrealised gains/(losses) for the year included in the statement of comprehensive income for financial assets and liabilities held at the end of the year	-	-	1,317	1,317

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.

15 Offsetting financial assets and financial liabilities

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

Apart from the Schemes mentioned in this note, no other Schemes held financial assets or liabilities subject to offsetting arrangements as at 30 June 2018 and 30 June 2017.

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts set off in the balance sheet Gross amounts \$'000	Net amounts presented in the balance sheet Net amounts \$'000	Amounts subject to master netting arrangements Amounts \$'000	Net amounts \$'000		Gross amounts set off in the balance sheet Gross amounts \$'000	Net amounts presented in the balance sheet Net amounts \$'000	Amounts subject to master netting arrangements Amounts \$'000	Net amounts \$'000	
The Trust Company										
Australian Share Fund										
Financial assets										
Margin accounts	9	-	9	-	9	-	-	-	-	-
Derivative financial instruments	3	-	3	-	3	-	-	-	-	-
Total	12	-	12	-	12	-	-	-	-	-

	30 June 2018					30 June 2017				
	Effects of offsetting on the balance sheet			Related amounts not offset		Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts set off in the balance sheet Gross amounts \$'000	Net amounts presented in the balance sheet Net amounts \$'000	Amounts subject to master netting arrangements Amounts \$'000	Net amounts \$'000		Gross amounts set off in the balance sheet Gross amounts \$'000	Net amounts presented in the balance sheet Net amounts \$'000	Amounts subject to master netting arrangements Amounts \$'000	Net amounts \$'000	
The Trust Company Share Imputation Fund										
Financial assets										
Margin accounts	18	-	18	-	18	-	-	-	-	-
Derivative financial instruments	7	-	7	-	7	-	-	-	-	-
Total	25	-	25	-	25	-	-	-	-	-

15 Offsetting financial assets and financial liabilities (continued)

Master netting arrangements - not currently enforceable

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

16 Derivative financial instruments

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

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

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

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

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

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

Futures

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

Risk exposures and fair value measurements

Information about the Schemes' exposure to financial risks and the methods and assumptions used in determining fair values is provided in note 14. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the derivative financial instruments.

17 Events occurring after the reporting period

No significant events have occurred since the reporting date which would have impact on the financial position of the Schemes disclosed in the balance sheets as at 30 June 2018 or on the results and cash flows of the Schemes for the year ended on that date.

18 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

Directors' declaration

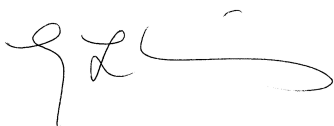
Perpetual Investment Management Limited presents the Directors' declaration in respect of the following Schemes:

The Trust Company Australian Share Fund
The Trust Company Fixed Interest Fund¹
The Trust Company Property Securities Fund²
The Trust Company Philanthropy Fund
The Trust Company Share Imputation Fund

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

- (a) the annual financial statements and notes, set out on pages 7 to 41, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2018 and of their performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



Director

Sydney
19 September 2018

¹ The Trust Company Fixed Interest Fund is formerly known as The Trust Company Bond Fund.

² The Trust Company Property Securities Fund is formerly known as The Trust Company Diversified Property Fund.



Independent Auditor's Report

To the respective unitholders of the following Schemes:

The Trust Company Australian Share Fund;

The Trust Company Bond Fund;

The Trust Company Diversified Property Fund;

The Trust Company Philanthropy Fund; and

The Trust Company Share Imputation Fund

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

Opinions

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

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the individual Schemes comprise of:

- Balance Sheets as at 30 June 2018
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.



Basis for opinions

We conducted our audits 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 opinions.

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

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

Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinions on the Financial Reports do 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 Reports or our knowledge obtained in the audits, 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 Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls to enable the preparation of a Financial Reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and



- assessing the Schemes' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Reports

Our objective is:

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

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

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

A further description of our responsibilities for the audits of the Financial Reports 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

Jessica Davis

Partner

Sydney

19 September 2018



**AUSTRALIAN CAPITAL
TERRITORY**

Level 6
10 Rudd Street
Canberra ACT 2601

NEW SOUTH WALES

Angel Place
Level 18
123 Pitt Street
Sydney NSW 2000

QUEENSLAND

Central Plaza 1
Level 15
345 Queen Street
Brisbane QLD 4000

SOUTH AUSTRALIA

Level 11
101 Grenfell Street
Adelaide SA 5000

VICTORIA

Rialto South Tower
Level 29
525 Collins Street
Melbourne VIC 3000

WESTERN AUSTRALIA

Exchange Tower
Level 29
2 The Esplanade
Perth WA 6000

www.perpetual.com.au