

**COLONIAL FIRST STATE
MANAGED ACCOUNTS**

ARSN: 167 425 649

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

RESPONSIBLE ENTITY:

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Level 15, 400 George Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED ACCOUNTS

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COLONIAL FIRST STATE - MANAGED ACCOUNTS

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State – Managed Accounts (ARSN: 167 425 649), present their report together with the Financial Report of Colonial First State – Managed Accounts (CFSMA) for the year ended 30 June 2024.

Reporting Period

The current reporting period for the financial report is from 1 July 2023 to 30 June 2024. The comparative reporting period is from 1 July 2022 to 30 June 2023.

Date of Constitution and Date of Registration

CFSMA has a constitution date of 6 January 2014 and a registration date of 20 January 2014.

Principal Activities

The principal activity of CFSMA is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statements and the Constitution. Please refer to the current Product Disclosure Statements for more information.

Rounding of Amounts to the Nearest Thousand Dollars

CFSMA is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by ASIC relating to the “rounding off” of amounts in the Financial Report. Amounts in the Financial Report have been rounded to the nearest thousand dollars in accordance with the Corporations Instrument, unless otherwise indicated.

Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current reporting period.

Review of Operations

During the period, CFSMA was administered in accordance with the provisions of its constitution. For the period ended 30 June 2024, CFSMA had an operating profit before finance costs attributable to investors of \$16,873,000. (30 June 2023: Operating profit of \$15,605,000).

Responsible Entity and Directors

The Responsible Entity of CFSMA is Colonial First State Investments Limited.

The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Appointed on 22 February 2023.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

Scheme Information

CFSMA is a registered managed investment scheme domiciled in Australia and have their principal of business at Level 15, 400 George Street, Sydney, New South Wales, 2000.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2024

Significant Changes in the State of Affairs

There were no significant changes in the nature of the CFSMA's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

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

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of CFSMA in relation to insurance cover provided to Colonial First State Investments Limited or the auditor of CFSMA. So long as the officers of Colonial First State Investments Limited act in accordance with the Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of CFSMA against losses incurred while acting on behalf of CFSMA. The auditor of CFSMA is in no way indemnified out of the assets of CFSMA.

Likely Developments and Expected Results of Operations

CFSMA is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

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

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of CFSMA.

Fees Paid to and Received by the Responsible Entity or its Associates

Fees paid or payable to the Responsible Entity and its associates out of CFSMA's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

No fees were paid to the Directors of the Responsible Entity during the reporting period out of CFSMA's assets.

Interests in CFSMA

The movement in net assets attributable to investors are set out in the "Changes in Net Assets Attributable to Investors" note to the financial statements. The value of CFSMA's assets at the end of the financial period is set out in the Statement of Financial Position.

Any interests in CFSMA held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

Environmental Regulation

CFSMA's operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to CFSMA.

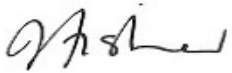
COLONIAL FIRST STATE - MANAGED ACCOUNTS

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2024

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out in the following page.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



Director

Date: 17 September 2024

Place of Signing: Sydney

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

To the Directors of Colonial First State Investments Limited as the Responsible
Entity for Colonial First State Managed Accounts

I declare that, to the best of my knowledge and belief, in relation to the audit of Colonial First State
Managed Accounts for the financial year ended 30 June 2024 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

KPMG



Joshua Pearse
Partner
Sydney
17 September 2024

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
Investment Income			
Interest income	2	218	199
Dividend and distribution income		11,356	6,289
Net gains/(losses) on financial investments at fair value through profit or loss	3	4,532	9,113
Management fees income		68	69
Other income		767	4
Total net investment income/(loss)		16,941	15,674
Expenses			
Responsible Entity's fees	7	68	69
Total operating expenses		68	69
Operating profit/(loss)		16,873	15,605
Finance costs attributable to investors			
Income allocation to investors	4	14,171	6,840
Increase/(decrease) in net assets attributable to investors	4	2,702	8,765
Other comprehensive income		-	-
Total comprehensive income		-	-

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

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	9 (a)	5,878	8,671
Financial investments held at fair value through profit or loss	5	171,345	166,560
Receivables	6	8,502	3,384
Total assets		185,725	178,615
Liabilities			
Payables		-	-
Total liabilities (excluding net assets attributable to investors)		-	-
Net assets attributable to investors - liability	4	185,725	178,615

The above statement of financial position should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

CFSMA's net assets attributable to investors are classified as a liability under AASB 132 Financial Instruments Presentation. As such, CFSMA has no equity, and no items of changes in equity have been presented for the current reporting period.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Proceeds from sale of financial investments held at fair value through profit or loss		37,557	27,711
Purchase of financial investments held at fair value through profit or loss		(45,465)	(24,735)
Interest received		225	176
Dividend and distribution received		6,425	8,673
Management fees received		68	69
Compensation received		766	4
Responsible Entity's fees paid		(68)	(69)
Other income received		1	-
Net cash outflow from operating activities	9 (b)	(491)	11,829
Cash flows from financing activities			
Proceeds from applications by investors		9,412	9,858
Payments for redemptions by investors		(11,714)	(18,106)
Net cash outflow from financing activities		(2,302)	(8,248)
Net increase in cash and cash equivalents		(2,793)	3,581
Cash and cash equivalents at the beginning of the financial year		8,671	5,090
Cash and cash equivalents at the end of the financial year	9 (a)	5,878	8,671

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

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. CFSMA is a for-profit entity for the purpose of preparing these financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to investors.

The financial report was authorised for issue by the Directors of the Responsible Entity on 17 September 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period is from 1 July 2023 to 30 June 2024. The comparative reporting period is from 1 July 2022 to 30 June 2023. Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial period.

The functional and presentation currency of CFSMA is Australian dollars.

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

(b) New accounting standards, amendments and interpretations adopted by CFSMA

CFSMA has adopted the following Australian Accounting Standards for the reporting period beginning 1 July 2023:

- (i) *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]
- (ii) AASB 2021-2 become effective for annual reporting periods beginning on or after 1 January 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies and clarify the distinction between accounting policies and accounting estimates. The amendments do not result in any changes to the accounting policies.

There are no other new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2023 and have a material impact on the financial statements of CFSMA.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial investments

(i) Classification

CFSMA classify their investments based on their business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. CFSMA's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with CFSMA's documented investment strategy. CFSMA's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

CFSMA recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or CFSMA has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss

At initial recognition, the financial assets and liabilities are measured at their fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

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

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using the valuation technique. If such a difference exists, the difference in profit or loss is recognised to reflect a change in factors, including time, which market participants would consider in setting a price.

Further details on how fair values of financial investments are determined in Note 11.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and bank overdrafts.

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

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(e) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statements of comprehensive income within dividend income and distribution income when the right to receive payments is established.

(f) Expenses

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

(g) Allocation of income and taxation

Under current legislation CFSMA is not subject to income tax, as the investors are absolutely entitled to all income and capital of CFSMA. All income and capital gains are allocated to investors and is taxable to the investors in the same manner as if they had held the assets directly.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the gain will be allocated to the investors and is taxable in the hands of the investors.

(h) Distribution to investors

In accordance with CFSMA's Constitution, at the end of each financial year, CFSMA fully distributes the income entitlement of each investor, including realised gains and losses. The income entitlement may be a negative amount.

(i) Increase/decrease in net assets attributable to investors

Changes in net assets attributable to investors comprise of unrealised changes at fair value of investments, and are recognised in the statement of comprehensive income as finance costs attributable to investors.

(j) Foreign currency translation

Items included in Financial Statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which CFSMA is regulated. The Australian dollar is also CFSMA's presentation currency. CFSMA mainly transacts in Australian currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the Balance Sheets date.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Foreign currency translation (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

CFSMA does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit and loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit and loss.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet delivered by the end of the year, Trades are recorded on trade date. A provision for impairment of amounts due from the brokers is established when there is objective evidence that amounts due from the relevant broker will not be collected.

Indicators that the amount due from fund managers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for trust distributions and interest. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of the last payment in accordance with the policy set out in Note 1(e).

Receivables include such items as Reduced Input Tax Credits (RITC) and other amounts receivable from the Responsible Entity, as well as amounts for distribution income and interest.

(m) Payables

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

(n) Use of estimates

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

For the majority of CFSMA's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, unquoted securities are fair valued using valuation techniques.

Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

To the extent practicable, models use observable data. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of the financial instruments.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO") as a reduced input tax credit ("RITC"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The amount of GST recoverable from or payable to the ATO is included as a receivable or payable in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross of RITC basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO are classified as operating cash flows.

(p) Investment entity

CFSMA has determined that it is an investment entity under the definition in AASB 10, as it meets the following criteria:

- CFSMA has obtained funds from investors for the purpose of providing them with investment management services;
- CFSMA's business purpose, which it communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and
- The performance of investments made by CFSMA is measured and evaluated on a fair value basis.

CFSMA also meets all of the typical characteristics of an investment entity.

(q) Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' Report have been rounded to either the nearest dollar or the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as indicated.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. INTEREST INCOME

	2024 \$'000	2023 \$'000
Interest income from cash and cash equivalent:	218	199
Total interest income	218	199

3. NET GAINS/(LOSSES) ON FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 \$'000	2023 \$'000
Net unrealised gains/(losses) on financial investments at fair value through profit or loss:		
Shares in listed securities	1,684	4,779
Units in managed funds	1,018	3,986
	2,702	8,765
Net realised gains/(losses) on financial investments at fair value through profit or loss:		
Shares in listed securities	1,774	349
Units in managed funds	56	(1)
	1,830	348
Total net gains/(losses) on financial investments at fair value through profit or loss	4,532	9,113

4. NET ASSETS ATTRIBUTABLE TO INVESTORS

Movement in the net assets attributable to investors during the year were as follows:

	2024 \$'000	2023 \$'000
Opening balance	178,615	174,532
Add: applications	16,198	16,603
Add: income allocation to investors	14,171	6,840
Add: increase/(decrease) in net assets attributable to investors	2,702	8,765
Less: redemptions	(25,961)	(28,125)
Net assets attributable to investors	185,725	178,615

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

5. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	\$'000	\$'000
Shares in listed securities	37,281	44,175
Units in managed funds	134,064	122,385
	171,345	166,560

6. RECEIVABLES

	2024	2023
	\$'000	\$'000
Investment income receivable	8,307	3,383
Outstanding settlements	195	1
	8,502	3,384

7. RESPONSIBLE ENTITY'S FEES

	2024	2023
	\$'000	\$'000
Responsible Entity's fees	68	69
	68	69

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

8. RELATED PARTY TRANSACTIONS

(a) Responsible entity

The Responsible Entity of CFSMA is Colonial First State Investments Limited.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at, Level 15, 400 George Street, Sydney, New South Wales, 2000.

(b) Details of key management personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Appointed on 22 February 2023.

(c) Compensation of Key Management Personnel

No amounts are paid by CFSMA directly to the Directors of the Responsible Entity.

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

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

8. RELATED PARTY TRANSACTIONS (continued)

(d) Other related parties

From time to time during the period CFSMA may buy and sell equities in related parties at arm's length and under normal terms and conditions.

During the period CFSMA has invested in products of related parties. These transactions have been at arm's length and under normal terms and conditions and at the instruction of members.

	Number of units held	Fair value of investment \$'000	Asset % of the scheme %	Contribution to investment income \$'000	Distributions receivable \$'000
2024					
Aspect Diversified Futures - Class A	652,204	657	0.36%	106	-
First Sentier Wholesale Strategic Cash	155,468	157	0.09%	12	1

	Number of units held	Fair value of investment \$'000	Asset % of the scheme %	Contribution to investment income \$'000	Distributions receivable \$'000
2023					
Aspect Diversified Futures - Class A	544,656	597	0.33%	65	37
First Sentier Wholesale Strategic Cash	232,411	234	0.13%	9	1

(e) Transactions with the Responsible Entity

CFSMA has incurred administration fees of \$68,000 (30 June 2023: \$69,000). These fees were paid to the Responsible Entity.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

9. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with a bank or financial institution and highly liquid investment with short periods to maturity which are readily convertible to cash on hand at the Responsible Entity's option and are subject to insignificant changes in value. Cash and cash equivalents at the end of the period are shown in the statement of financial position.

	2024 \$'000	2023 \$'000
Cash at bank	5,878	8,671
	5,878	8,671

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

	2024 \$'000	2023 \$'000
Operating profit for the year	16,873	15,605
Add/(less):		
Proceeds from sale of financial assets at fair value through profit or loss	37,558	27,711
Purchase of financial assets at fair value through profit or loss	(45,465)	(24,735)
Net gains on financial assets at fair value through profit or loss	(4,532)	(9,113)
Increase in receivables	(4,925)	2,361
Net cash flow from operating activities	(491)	11,829

(c) Non-cash financing and investing activities

There were -\$7,460,000 (2023: -\$3,274,000) net inspecie transactions during the year.

10. SEGMENT INFORMATION

CFSMA invests in Australia and exposure to overseas markets is only via investments in managed investment schemes that may have a portion of their assets invested overseas. CFSMA's operations are based in Australia.

No further reportable business segments have been identified as each individual investor makes their own investment choice, and revenues, assets and liabilities are allocated to individual portfolios.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL RISK MANAGEMENT

The investing activities of CFSMA may expose it to a variety of financial risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The overall risk management programme focuses on ensuring compliance with its Product Disclosure Statement/ Constitution. Financial risk management is carried out by the respective investment management departments (Investment Managers) and regularly monitored by the Compliance Department of the Responsible Entity.

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

(a) Market risk

Market risk is the risk that changes in market variables such as market prices, interest rates and foreign exchange rates will affect CFSMA's income or the value of its investments.

(i) Interest rate risk

Interest rate risk arises from the possibility that the fair value of financial assets may fluctuate because of changes in market interest rates.

CFSMA's direct exposure to interest rate risk is via its cash balances held at bank, term deposits and its holdings of listed Australian interest rate securities.

CFSMA's indirect exposure to interest rate risk is through its investment in registered managed investment schemes. The responsibility for the management of interest rate risk within the managed investment schemes lies with the respective investment managers rather than the Responsible Entity of CFSMA.

Some of the underlying schemes use derivative financial instruments (such as futures, forward and option contracts) to provide flexibility in the management of those schemes to control those risks arising from changes in interest rates and price fluctuations, and to facilitate orderly entry and exit from the various markets, stocks or currencies.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

CFSMA's direct exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities are set out in the table below:

2024	Floating interest rate \$'000	Fixed interest rate \$'000	Total \$'000	Weighted average interest rate (%pa)
Financial assets				
Cash and cash equivalents	5,878	-	5,878	3.46
	5,878	-	5,878	

2023	Floating interest rate \$'000	Fixed interest rate \$'000	Total \$'000	Weighted average interest rate (%pa)
Financial assets				
Cash and cash equivalents	8,671	-	8,671	2.35
	8,671	-	8,671	

Sensitivity analysis

The following table demonstrates the sensitivity of CFSMA's net assets attributable to investors to a reasonably possible change in the interest rate at reporting date, with all other variables held constant. The reasonably possible change in the interest rate has been determined by the Responsible Entity based on historical experience and the Responsible Entity's views on current market conditions.

2024	Carrying amount \$'000	Change in interest rate %	Increase/(Decrease) in net assets attributable to investors \$'000
Cash and cash equivalents	5,878	+0.5/-1	29/(59)

2023	Carrying amount \$'000	Change in interest rate %	Increase/(Decrease) in net assets attributable to investors \$'000
Cash and cash equivalents	8,671	+0.5/-1	43/(87)

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

CFSMA may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The assets and liabilities that are denominated in a currency other than the Australian dollar is \$173,000 as at 30 June 2024 (Nil as at 30 June 2023).

(iii) Other price risk

Other price risk arises from the possibility that the fair value of financial assets may fluctuate because of changes in market prices, whether caused by factors specific to an individual investment, its issuers or all factors affecting all instruments traded in the market.

CFSMA's financial assets are measured at fair value; therefore any changes in market price are recognised in investment revenue in the statement of comprehensive income.

CFSMA is exposed to other price risk through its investments in listed Australian securities and managed investment schemes. The investment objective of CFSMA is to provide a diversified range of investments including listed securities, managed investment schemes and fixed interest securities. Each investment is classified into 12 different investment strategies. For each strategy, the Responsible Entity frames investment objectives with respect to key measurable references, including an inflation target, a suggested time horizon and an indication of the risk/return profile, which is communicated to members through specific strategic asset allocations and asset class ranges, as well as the chance of a negative return in one year.

The Responsible Entity seeks information from the trustee and/or manager of each proposed managed investment scheme (and may also seek independent advice from other qualified persons) so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment of CFSMA.

Risk is measured through the careful assessment of assets offered and through measures to ensure appropriate diversification. The measures include:

- a) The provision of multiple asset classes and investment strategies from which a member can choose
- b) The provision of multiple investment managers and investment styles as available investment funds
- c) The use of investment limitations on certain asset classes and/or types to ensure investors maintain a properly diversified portfolio

The increase/decrease in the market price against the investments of CFSMA at 30 June 2024 would have increased/decreased the change for the year in net assets attributed to investors by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates and foreign exchange rates, remain constant. The table in the following page provides an analysis of the sensitivity of the investment strategies to changes in the underlying sector.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

11. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

2024			
Asset class	Carrying amount \$'000	Movement in underlying %	Increase/(Decrease) in net assets attributable to investors \$'000
Shares in listed securities	37,281	+/- 15	5,592 / (5,592)
Units in managed funds	134,064	+/- 10	13,406 / (13,406)
Total	171,345		

2023			
Asset class	Carrying amount \$'000	Movement in underlying %	Increase/(Decrease) in net assets attributable to investors \$'000
Shares in listed securities	44,175	+/- 15	6,626 / (6,626)
Units in managed funds	122,385	+/- 10	12,239 / (12,239)
Total	166,560		

(b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation resulting in a financial loss to CFSMA.

The fair value of financial assets, included in the statement of financial position represents CFSMA's exposure to credit risk in relation to those assets.

CFSMA does not have any significant credit risk exposure to any single counterparty or counter parties having similar characteristics.

CFSMA holds no collateral as security or any other credit enhancements. CFSMA does not have any assets which are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that CFSMA will not be able to meet its financial obligations as they fall due. CFSMA's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring financial losses or risking damage to CFSMA's reputation.

CFSMA's Deed and Product Disclosure Statement ("PDS") both provide for the daily withdrawal of benefits. Therefore, at any time, CFSMA is exposed to liquidity risk in relation to meeting investors' withdrawals.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

11. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Financial liabilities of CFSMA comprise fees payable and sundry creditors.

The table below analyses CFSMA's liabilities that have contractual maturities into the relevant maturity groups based on the remaining period to the earliest possible contractual maturity date at the year-end:

2024	Less than 1 month \$'000	1-6 months \$'000	Greater than 6 months \$'000	Total \$'000
Financial Liabilities				
Payables	-	-	-	-
Net assets attributable to investors	185,725	-	-	185,725
	185,725	-	-	185,725

2023	Less than 1 month \$'000	1-6 months \$'000	Greater than 6 months \$'000	Total \$'000
Financial Liabilities				
Payables	-	-	-	-
Net assets attributable to investors	178,615	-	-	178,615
	178,615	-	-	178,615

(d) Fair value hierarchy

The following tables present CFSMA's assets and liabilities measured and recognised at fair value at 30 June 2024.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Shares in listed securities	37,281	-	-	37,281
Units in managed funds	-	134,064	-	134,064
Total	37,281	134,064	-	171,345

2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Shares in listed securities	44,175	-	-	44,175
Units in managed funds	-	122,385	-	122,385
Total	44,175	122,385	-	166,560

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. FINANCIAL RISK MANAGEMENT (continued)

There were no transfers between levels in the fair value hierarchy for the years ended 30 June 2024 and 30 June 2023.

12. AUDITOR'S REMUNERATION

During the period the following fees were paid or payable, by the Responsible Entity, for services provided by KPMG Australia (KPMG) for the period 1 July 2023 to 30 June 2024 as the auditors of CFSMA for the period, and PricewaterhouseCoopers Australia (PwC) and by PwC's related network firms as the auditor for the previous period.

	01/07/2023- 30/06/2024 \$	01/07/2022- 30/06/2023 \$
Audit and review of the financial reports:	5,000	10,152
Other assurance services:	308	19,831
Other non-audit services:	-	-
Total services provided by KPMG (2023: PwC)	5,308	29,983

13. COMMITMENTS AND CONTINGENCIES

No commitments and contingencies existed at 30 June 2024 which would have a material effect in relation to this financial report (30 June 2023: Nil).

14. EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2024, there has not been any matter or circumstance not otherwise dealt with on the financial report that has significantly affected or may significantly affect CFSMA.

COLONIAL FIRST STATE - MANAGED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

15. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.

Depending on CFSMA's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, CFSMA applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its entities (Note 1(q)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for CFSMA. Such interests include holding of units in unlisted trusts. The nature and extent of CFSMA's interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 1(c), Note 5 – "Financial assets held at fair value through profit or loss" and Note 8 "Related party transactions" where appropriate. The total size of the structured entities that CFSMA has exposure to is the net assets of the "unlisted unit trusts", which is determined based on the percentage interest held and carrying value disclosed in Note 8 "Related party transactions".

CFSMA has exposures to unconsolidated structured entities through its trading activities. CFSMA typically has no other involvement with the structured entity other than the securities it holds as part of investing activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposures to investment assets are managed in accordance with financial risk management practices as set out in Note 11, which includes an indication of changes in risk measures compared to prior year.

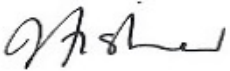
COLONIAL FIRST STATE - MANAGED ACCOUNTS

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

In the opinion of the Directors of Colonial First State Investments Limited:

- (a) The financial statements and notes to the financial statements of CFSMA in this Financial Report are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) Giving a true and fair view of the CFSMA's financial position as at 30 June 2024 and of its performance for the reporting year ended on that date; and
- (b) There are reasonable grounds to believe that CFSMA will be able to pay its debts as and when they become due and payable, and
- (c) The financial statements comply with International Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Director

Date: 17 September 2024

Place of Signing: Sydney

Independent Auditor's Report

To the Investors of Colonial First State Managed Accounts

Opinion

We have audited the **Financial Report** of Colonial First State Managed Accounts

In our opinion, the accompanying **Financial Report** of the Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of Financial Position as at 30 June 2024;
- Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement for the year then ended;
- Notes to the Financial Statements, including material 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 Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Colonial First State Investments 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 opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. 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 the Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Fund'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 Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our 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

KPMG



Joshua Pearse
Partner
Sydney
17 September 2024