



## **VASCO CASH ENHANCED FUND**

ABN 71 964 253 466

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2019

**VASCO CASH ENHANCED FUND**

**TRUSTEE REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

The Directors of the Trustee, Vasco Investment Managers Limited present their report on the Vasco Cash Enhanced Fund ('the Fund') for the year ended 30 June 2019.

**1. Directors**

The names of Directors of the Trustee in office at any time during the financial year were:

Craig Mathew Dunstan (appointed 6 August 2009)  
 Fiona Jean Dunstan (appointed 6 August 2009)  
 Stephen George Hawkins (appointed 10 May 2010, retired 2 July 2019)  
 Jonathan William Martin (appointed 6 August 2009)  
 Reginald Bancroft (appointed 2 July 2019)

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

**2. Principal Activities**

The Fund invests in a portfolio of bank deposits, term deposits, ASX listed floating rate notes and managed investment schemes that provide a high level of security and liquidity.

The Fund was established on 7 April 2016 and issued the first units on the commencement date of 5 April 2017.

**3. Operating Results**

The operating profit of the Fund for the financial year ending 30 June 2019 was \$36,246 (2018: \$11,608).

**4. Review of Operations**

During the period since inception the Fund issued 4,239,191 units at \$1 per unit. Of these, 1,410,747 units in total have been redeemed at \$1 per unit. Distributions of \$39,191 were reinvested in the Fund.

During the financial year 1,031,312 units have been issued of which 31,312 have resulted from the reinvestment of distributions.

As at 30 June 2019, the Fund held the following investments:

Investment	Value \$	%
State Street Floating Rate Fund	801,328	28.30
Macquarie Income Opportunities Fund	198,235	7.00
Term deposits	1,300,000	45.91
Cash at bank	531,926	18.79
<b>Total</b>	<b>\$2,831,489</b>	<b>100.00</b>

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**5. Review of Performance**

Unit Class	2019 % p.a.	2018 % p.a.	2017 % p.a.
Ordinary units	1.45	0.65	0.65

**6. Unit Redemption Prices**

Unit redemption prices (quoted ex-distribution and exclusive of exit fees) are shown as follows:

	2019 \$	2018 \$
At 30 June	1.00	1.00
High during year	1.00	1.00
Low during year	1.00	1.00

The availability and timing of redemptions is subject to the terms of the Fund's Constitution.

**7. Distributions Paid or Recommended**

In accordance with the Information Memorandum of the Fund, distributions are calculated and accrued on a daily basis and are paid to all unitholders monthly by way of reinvestment in the Fund. An amount of \$31,312 had been reinvested into the Fund for the financial year.

The following table shows the distributions paid/payable by the Fund for the financial year as at 30 June 2019:

Period	Distributions
1 July – 31 July 2018	0.00359305 cent per unit per day
1 August – 31 August 2018	0.00364693 cent per unit per day
1 September – 30 September 2018	0.00353411 cent per unit per day
1 October – 31 October 2018	0.00359087 cent per unit per day
1 November – 30 November 2018	0.00393746 cent per unit per day
1 December – 31 December 2018	0.00418041 cent per unit per day
1 January – 31 January 2019	0.00402322 cent per unit per day
1 February – 28 February 2019	0.00417970 cent per unit per day
1 March – 31 March 2019	0.00453208 cent per unit per day
1 April – 30 April 2019	0.00390149 cent per unit per day
1 May – 31 May 2019	0.00345361 cent per unit per day
1 June – 30 June 2019	0.00549355 cent per unit per day

**8. Applications Held**

At 30 June 2019, the value of pending unit allocations was nil.

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**9. Redemption Arrangements**

All units are expected to be redeemed at a redemption price of \$1.00. However, this is not a capital guarantee. The unit redemption price may fall below \$1.00 in the event that there are losses on investments made by the Fund, or where accumulated fees and expenses exceed income over a particular distribution period.

During the period since inception, 1,410,747 units in total at \$1 per unit have been redeemed.

**10. Options**

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and executives of the Trustee hold no options over interests in the Fund.

**11. Proceedings on Behalf of the Fund**

No person has applied to the court for leave to bring proceedings on behalf of the Fund, or to intervene in any proceedings to which the Fund is a party, for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings.

**12. Value of Scheme Assets**

The Gross Asset Value of the Fund's assets at the end of the reporting period was \$ 2,837,531 (2018: \$ 2,391,780). The Net Asset Value at the end of the reporting period was \$ 2,828,007 (2018: \$ 2,384,240).

**13. Significant Changes in State of Affairs**

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

**14. After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years other than as disclosed in this report.

**15. Future Developments**

There are no future developments to report on which are not otherwise disclosed in this report.

**16. Indemnifying Officers or Auditor**

During or since the end of the financial year, the Trustee has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Trustee against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Trustee, other than conduct involving a willful breach of duty in relation to the Trustee.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability incurred as such an officer or auditor.

**VASCO CASH ENHANCED FUND**  
**TRUSTEE REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**17. Fees, Commissions or Other Charges by the Trustee, Investment Manager or Related Parties**

Management fees of 0.75% of Gross Asset Value are payable to the Trustee of the Fund.

Management fees of \$ 18,714 (plus GST) were accrued and paid by the Fund to the Trustee for the period.

**18. Units held by the Trustee, Investment Manager or Related Parties**

At 30 June 2019, the Trustee and their related parties held no units in the Fund.

**19. Interests Issued in the Fund**

	<b>2019</b>	<b>2018</b>
Opening Unit Balance	2,389,422	674,577
Units issued - applications	1,000,000	2,500,000
Units issued – reinvestment of distributions	31,312	7,781
Units redeemed	(592,290)	(792,936)
<b>Closing Unit Balance</b>	<b>2,828,444</b>	<b>2,389,422</b>

**20. Number of Interests on Issue**

As at 30 June 2019, the number of units on issue in the Fund was 2,828,444 (2018: 2,389,422).

**21. Rounding of Amounts**

The Fund is of a kind referred to in the *Australian Securities and Investments Commission's Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. Consequently, amounts in the financial statements have been rounded to the nearest dollar in accordance with that legislative instrument, or in certain cases, the nearest thousand dollars.

**22. Environmental issues**

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

Signed in accordance with a resolution of the Board of Directors of Vasco Investment Managers Limited by:



**Craig Mathew Dunstan**

Director

Date: 22 August 2019

**VASCO CASH ENHANCED FUND**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Revenue and other income</b>			
Bank interest	2 (a)	37,531	15,953
Distribution income	2 (b)	21,241	11,098
<b>Total revenue and other income</b>		<b>58,772</b>	<b>27,051</b>
<b>Expenses</b>			
Management fees	3	18,714	9,461
Other expenses	4	3,812	5,982
<b>Total expenses</b>		<b>22,526</b>	<b>15,443</b>
<b>Net profit attributed to unitholders</b>		<b>36,246</b>	<b>11,608</b>
<b>Other comprehensive income</b>			
Fair value profit or (loss) on investments	5	4,745	(5,182)
<b>Total other comprehensive income</b>		<b>4,745</b>	<b>(5,182)</b>
Distribution expense		36,246	11,608
<b>Total comprehensive income for the year attributable to unitholders net of distributions</b>		<b>4,745</b>	<b>(5,182)</b>

The accompanying notes form part of these financial statements

**VASCO CASH ENHANCED FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	6 (a)	531,926	692,467
Term deposits	6 (b)	1,300,000	1,000,000
Sundry debtor	6 (c)	1	1
Accrued investment income	7 (b)	6,041	4,494
<b>Total current assets</b>		<b>1,837,968</b>	<b>1,696,962</b>
<b>Non-current assets</b>			
Investment assets	7 (a)	999,563	694,818
<b>Total non-current assets</b>		<b>999,563</b>	<b>694,818</b>
<b>Total assets</b>		<b>2,837,531</b>	<b>2,391,780</b>
<b>Liabilities</b>			
Fees payable	8	1,749	1,474
Other expenses payable	9	2,144	2,370
Distribution payable		4,669	3,169
Withholding tax payable		962	527
<b>Total liabilities</b>		<b>9,524</b>	<b>7,540</b>
<b>Net assets</b>		<b>2,828,007</b>	<b>2,384,240</b>
<b>Represented by:</b>			
Issued units	10 (a)	2,828,444	2,389,422
Undistributed profit/(loss) attributable to unitholders	10 (b)	(437)	(5,182)
<b>Net assets attributable to unitholders</b>		<b>2,828,007</b>	<b>2,384,240</b>

The accompanying notes form part of these financial statements

**VASCO CASH ENHANCED FUND**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

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



## VASCO CASH ENHANCED FUND

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Interest received		37,851	15,953
Investment income		19,374	6,604
Payments to suppliers		(23,804)	(8,402)
Other expenses		-	(3,126)
Tax paid		(1,940)	53
Net cash provided by/ (used in) operating activities		<b>31,481</b>	<b>11,082</b>
<b>Cash flows from investing activities</b>			
Payment for investment assets		(300,000)	(700,000)
Term deposits		(600,000)	(850,000)
Sale of investments		300,000	-
Net cash provided by/ (used in) investing activities		<b>(600,000)</b>	<b>(1,550,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of units		1,000,000	2,500,000
Redemption of units		(592,022)	(792,936)
Distributions paid		-	(1,249)
Net cash provided by/ (used in) financing activities		<b>407,978</b>	<b>1,705,815</b>
Net increase/ (decrease) in cash and cash equivalents		(160,541)	166,897
Cash and cash equivalents at the beginning of year		692,467	525,570
<b>Cash and cash equivalents at the end of year</b>	6 (a)	<b>531,926</b>	<b>692,467</b>

The accompanying notes form part of these financial statements

# VASCO CASH ENHANCED FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The financial report is for the Vasco Cash Enhanced Fund ('the Fund'). The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Investment Managers Limited.

#### Basis of Preparation

##### (a) Statement of compliance

The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. Vasco Cash Enhanced Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were approved by the Board of Directors of the Trustee on 22 August 2019.

##### (b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the statement of financial position:

Investment assets are measured at fair value.

##### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

##### (d) Use of estimates and judgements

The preparation of financial statements requires the Directors of the Trustee to undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Significant accounting policies

###### (a) Financial instruments

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

###### (i) Measurement

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

Under this approach, financial assets and financial liabilities are generally measured initially at fair value excluding any transaction costs that are directly attributable to acquisition.

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in their fair value recognized in the statement of comprehensive income.

###### *Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices on the reporting date, while financial liabilities are priced at current offer prices.

###### *Fair value in an inactive or unquoted market*

The fair values of financial assets and liabilities that are not traded in an active market are determined through the valuation policy identified in the Information Memorandum for the Fund.

###### (ii) Categorisation

The Fund's investments are categorised as follows:

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

###### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

###### *Issued units*

The Fund issues units which have a limited life under the Fund's Constitution and are classified as equity in accordance with *AASB 132 Financial Instruments: Presentation* as amended by *AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised *AASB 132*, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Fund's unitholders.

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

##### (c) Income tax

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

##### (d) Critical judgements and significant accounting estimates

The preparation of financial statements requires the Directors of the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

##### (e) Comparatives

As the Vasco Cash Enhanced Fund commenced operations in April 2016, there are comparative numbers for the year ending 30 June 2018.

##### (f) New accounting standards and interpretations

A number of new accounting standards and interpretation have been published, and are mandatory for the 30 June 2019 reporting period, having come into effect on the 1 January 2018:

###### (i) *AASB9 Financial Instruments*

Broadly, this standard requires all financial instruments to be measured at fair value unless the criteria for amortised cost are met.

The introduction of the standard has not changed the measurement basis of any of the Fund's current financial instruments.

###### (ii) *AASB 15: Revenue from contracts with customers*

Broadly, this standard relates to the recognition of revenue from contracts for goods and services, including construction contracts.

While this standard does not relate to a significant portion of the Fund's holdings, to the extent that it does apply, it is not expected to change the measurement basis of any of the Fund's current financial instruments, or the valuation of the Fund's assets.

There are no pending standards that are relevant to the Fund in the current or future reporting periods as at the issue date of this report.

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 2: REVENUE

The Funds revenue may be analysed under the following categories

##### (a) Bank interest

	2019	2018
	\$	\$
Bank interest	37,531	15,953
	<b>37,531</b>	<b>15,953</b>

Cash on deposit is held in a Macquarie Bank cash management account (AUD). The interest rate paid by Macquarie to 6 June 2019 was 1.30% p.a paid monthly on balances greater than \$5,000. From 7 June 2019 the interest rate has been 1.05%. The Fund has been able to obtain a higher return from Macquarie, amounting to an extra 0.25% pa.

Interest income is paid to the Fund from bank deposits and term deposits. As at 30 June 2019, the Fund had earned \$37,531 interest income in total from bank deposits and term deposits.

##### (b) Distribution income

	2019	2018
	\$	\$
Macquarie Income Opportunities Fund	6,939	5,843
State Street Floating Rate Fund	14,302	5,255
	<b>21,241</b>	<b>11,098</b>

#### NOTE 3: MANAGEMENT FEES

	2019	2018
	\$	\$
Management fees	18,714	9,461
	<b>18,714</b>	<b>9,461</b>

In accordance with the Information Memorandum, the fee for the Trustee managing the Fund is 0.75% p.a. based on Gross Asset Value, calculated and accrued daily. The accrued fee is paid monthly in arrears by deduction from the returns of the Fund.

#### NOTE 4: OTHER EXPENSES

	2019	2018
	\$	\$
Tax return fees	2,500	5,000
Other administration expenses	700	498
GST expense (non-claimable)	612	484
	<b>3,812</b>	<b>5,982</b>

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 5: OTHER COMPREHENSIVE INCOME

As at 30 June 2019 the Fund's other comprehensive income comprised of:

	2019	2018
	\$	\$
Fair value loss on assets	4,745	(5,182)
	<b>4,745</b>	<b>(5,182)</b>
	<b>4,745</b>	<b>(5,182)</b>

#### NOTE 6: CASH AND CASH EQUIVALENTS

##### (a) Cash at bank

	2019	2018
	\$	\$
Macquarie Bank	531,926	692,467
	<b>531,926</b>	<b>692,467</b>
	<b>531,926</b>	<b>692,467</b>

##### (b) Term deposit

	2019	2018
	\$	\$
Term deposit - Macquarie Bank (1.83%, maturity: 12/6/2020)	150,000	150,000
Term deposit - Macquarie Bank (1.90%, maturity: 4/11/2019)	400,000	400,000
Term deposit - Macquarie Bank (2.15%, maturity: 2/9/2019)	150,000	150,000
Term deposit - Macquarie Bank (1.90%, maturity: 23/09/2019)	250,000	-
Term deposit - Macquarie Bank (1.90%, maturity: 21/10/2019)	350,000	-
Term deposit - Macquarie Bank (matured)	-	300,000
	<b>1,300,000</b>	<b>1,000,000</b>
	<b>1,300,000</b>	<b>1,000,000</b>

##### (c) Sundry debtor

This is the minimum balance to be retained in the applications bank account when the units were issued.

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 7: INVESTMENTS

##### (a) Available for sale investments

As at 30 June 2019 the Fund's investments comprised of:

	2019	2018
	\$	\$
Macquarie Income Opportunities Fund	198,235	197,313
State Street Floating Rate Fund	801,328	497,505
	<b>999,563</b>	<b>694,818</b>

##### (b) Accrued investment income

	2019	2018
	\$	\$
Opening balance	4,494	-
Macquarie Income Opportunities Fund	6,939	5,843
State Street Floating Rate Fund	14,302	4,299
Term deposit - Macquarie Bank	2,318	421
Term deposit - Macquarie Bank	9,370	1,369
Term deposit - Macquarie Bank	3,465	503
Term deposit - Macquarie Bank	91	-
Term deposit - Macquarie Bank	1,279	-
Term deposit - Macquarie Bank	3,996	1,108
Less investment income received	(40,213)	(9,049)
Total investment income accrued	<b>6,041</b>	<b>4,494</b>

#### NOTE 8: FEES PAYABLE

	2019	2018
	\$	\$
Management fees payable	1,749	1,474
	<b>1,749</b>	<b>1,474</b>

#### NOTE 9: OTHER EXPENSES PAYABLE

	2019	2018
	\$	\$
RITC receivable	(781)	(528)
Provision for tax return fees	2,500	2,500
Other accrued expenses	425	398
	<b>2,144</b>	<b>2,370</b>

## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 10: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

##### (a) Issued units in \$

	2019	2018
	\$	\$
Opening balance	2,389,422	674,577
Redemptions	(592,290)	(792,936)
Units issued – applications	1,000,000	2,500,000
Units issued – reinvestment of distributions	31,312	7,781
<b>Closing balance</b>	<b><u>2,828,444</u></b>	<b><u>2,389,422</u></b>

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

##### (b) Undistributed profit/(loss) attributable to unitholders

	2019	2018
	\$	\$
Opening balance	(5,182)	-
Net operating profit/(loss) attributable to unitholders	36,246	11,608
Fair value profit/(loss) on investment	4,745	(5,182)
Distributions paid	(31,577)	(8,439)
Distributions payable	(4,669)	(3,169)
<b>Closing balance</b>	<b><u>(437)</u></b>	<b><u>(5,182)</u></b>

Withholding taxes applicable to the distributions payable during the 2019 financial year were \$3,585. Total distributions payable for the financial year were \$36,246.

##### (c) Capital management

The Fund regards total unitholders' interests as capital. The Fund invests in a portfolio of bank deposits, term deposits, managed investment schemes and ASX listed floating rate notes that provide a high level of security and liquidity. The Fund pays monthly distributions out of the profit of the Fund.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Investment Manager regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.



## VASCO CASH ENHANCED FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 11: RELATED PARTY TRANSACTIONS

The Fund's related parties include those described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

##### (a) Trustee

The Trustee of the Vasco Cash Enhanced Fund is Vasco Investment Managers Limited. Fees of \$18,714 were paid/payable by the Fund to Vasco Investment Managers Limited for its role as Trustee for the period, of which \$1,404 is claimable by the Fund as RITC.

##### (b) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Investment Managers Limited to manage the activities of the Fund. The Directors of the Trustee and Investment Manager are key management personnel of those corporate entities. No compensation is paid directly by the Fund to Directors or to any of the key management personnel of the Trustee or Investment Manager. Payments made by the Fund to the Trustee and Investment Manager do not specifically include any amounts attributable to the compensation of key management personnel.

#### NOTE 12: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

#### NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, there have been no events subsequent to the reporting date that require additional disclosure.

#### NOTE 14: FINANCIAL RISK MANAGEMENT

##### (a) Liquidity Risk

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

The Fund holds investments in bank deposits, term deposits, managed investment schemes and ASX listed floating rate notes, which are considered to be assets that are readily realisable.

In order to address this risk, the Trustee retains broad discretion to restrict distributions, withdrawals and/or redemptions.

##### (b) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Fund. The Fund is exposed to this risk for various financial instruments, for example, placing money at financial institutions or interest revenue that is paid in arrears. The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date.

**VASCO CASH ENHANCED FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 15: TRUSTEE DETAILS**

The registered office and the principal place of business of the Trustee are:

Vasco Investment Managers Limited

Level 5

488 Bourke Street

Melbourne Victoria 3000

## VASCO CASH ENHANCED FUND

### DIRECTORS' DECLARATION

In the opinion of the Directors of Vasco Investment Managers Limited:

- (a) The financial statements and notes of Vasco Cash Enhanced Fund are in accordance with the *Corporations Act 2001*, including
  - (i) Giving a true and fair view of its financial position as at 30 June 2019 and its performance for this financial year ended on that date; and
  - (ii) Complying with Australian Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that Vasco Cash Enhanced Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**Craig Mathew Dunstan**

Director

22 August 2019