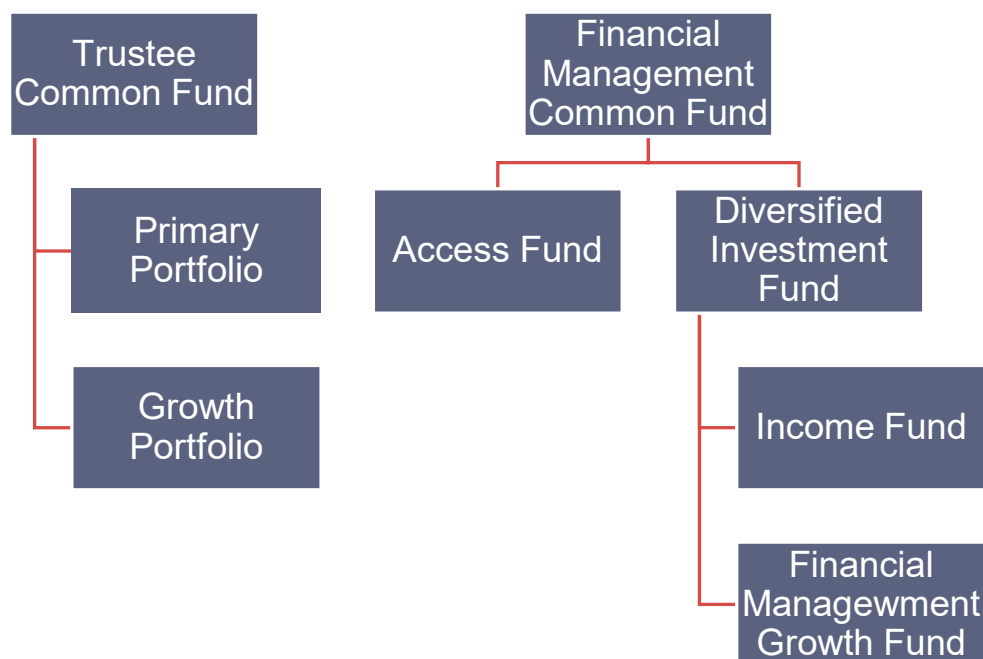

Appendix five – NSW Trustee and Guardian Common Funds

NSW Trustee and Guardian operates a common fund to invest the funds of its customers across its different services. The common fund is broken up into the Trustee Common Fund and the Financial Management Common Fund. From July 2021, NSW Trustee and Guardian merged six of the existing investments options within the Financial Management Common Fund into two.



Trustee Common Fund

The Trustee Common Fund is where customers' estate, trust or power of attorney money is invested by the NSW Trustee and Guardian. The Trustee Common Fund is split into two separate funds. These funds are:

- Primary Portfolio – This portfolio earns a competitive interest rate from term deposits and money market instruments. This portfolio is managed by NSW Trustee and Guardian.
- Growth Portfolio – This portfolio invests in a diverse set of Australian and international companies that have shared listed on major stock exchanges. This fund is managed by the commercial fund manager BlackRock.

Any income earned from the portfolios is credited back to the customers' accounts near 30 June and 31 December each year.

Financial Management Common Fund

The Financial Management Common fund is made up of two types of funds. These funds are:

- funds owned by customers whose financial affairs are directly managed by NSW Trustee and Guardian
- funds of customers whose affairs are managed by a private manager.

The Financial Management Common Fund is split into the Access Fund and two diversified investment funds, the income fund and the financial management growth fund:

- Access fund – This fund invests money into cash and short-term money market securities. The accounts of customers that make up this fund are similar to standard everyday bank accounts.
- Income fund – This fund generates income while maintaining low level investment risks.
- Financial management growth fund – This fund generates a higher return of funds through higher risk investments.

NSW Trustee and Guardian is responsible for the management of the Financial Management Common Fund. Elements of the fund's investment management are outsourced to Black Investment Management Australia. The custody, compliance, transfer and accounting functions of these funds are outsourced to CitiGroup Pty Ltd.

Oversight of the common fund

NSW Trustee and Guardian has an Independent Advisory Committee that provides additional oversight of the common fund. The Committee monitors, reviews and advises the CEO on any issues that may impact customer investments and the overall investing portfolio. The Committee reviews policies, provides oversights and makes recommendations of strategies for the management of the Trustee and Guardians investments.

Financial audits of the common funds are conducted each year by the Audit Office of NSW.