ASX
announcement

Medallion Trust Series 2017-2 (ASX Code: MZ2)

Thursday, 28 October 2021 (SYDNEY): In accordance with the ASX Listing Rules, Securitisation Advisory Services Pty Ltd ("**Manager**") as the Manager of Medallion Trust Series 2017-2, provides holders with the 2021 Annual Financial Report.

The release of this announcement was authorised by the Board of Securitisation Advisory Services Pty Limited.

Long Term Funding
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Medallion Trust Series 2017-2

ABN 29 433 109 077

Annual Report

for the year ended 30 June 2021

Commonwealth Bank

Contents

The Directors of Securitisation Advisory Services Pty Limited ("the Manager") submit their report together with the Special Purpose Financial Statements ("the Financial Statements") of Medallion Trust Series 2017-2 ("the Trust"), for the financial year ended 30 June 2021.

Trust Manager and Trustee

The Manager of the Trust for the reporting year was Securitisation Advisory Services Pty Limited. The Trustee of the Trust for the reporting year was Perpetual Trustee Company Limited.

Principal activities

The Trust was established under the Commonwealth Bank of Australia (“the Bank”) Medallion Trust Programme, which enables the securitisation of the Bank’s own assets. The principal activities of the Trust during the financial year were the holding of loan receivables from the Bank and the issue of medium term notes ("MTNs") to fund these assets.

There was no significant change in the nature of these activities during the year.

Review of operations

The Trust recorded a profit for the financial year of $nil (2020[1]: $nil).

Distribution

Distribution paid and payable to the income unitholder, the Bank, in accordance with the Trust Deed, was $nil for the financial year (2020:$nil).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the financial year.

Likely developments and expected results of operations

Information as to likely developments in the operations of the Trust and the expected results of those operations in subsequent financial years have not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Trust.

Environmental regulation

The Trust's operations are not subject to any particular or significant environmental regulations under Australian Commonwealth, State or Territory law.

Interests in units of the Trust

As at the date of this report, no Director has any interests in the units of the Trust.

Events subsequent to the balance sheet date

The Manager is not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the Trust in subsequent years.

[1] Comparative information has been restated to conform to presentation in the current year.

Rounding of amounts

The amounts contained in this report and in the Financial Statements have been rounded to the nearest thousand dollars (where rounding is applicable).

Signed for and on behalf of Securitisation Advisory Services Pty Limited as Manager of the Medallion Trust Series 2017-2.

V. Hickey

Director

Sydney
25 October 2021

	Notes	**2021 $'000**	2020[1] $'000
Interest income:			
Revenue from ultimate parent entity		**15,723**	32,517
Interest expense on notes		**(15,399)**	(31,230)
Net interest income		**324**	1,287
Other banking operating income:			
Other fee income[2]		**709**	503
Net banking operating income before operating expenses and impairment		**1,033**	1,790
Operating expenses	2	**(1,033)**	(1,790)
Loan impairment expense		**(118)**	(639)
Changes in estimated payments on medium term notes		**118**	639
Net profit before income tax		**-**	-
Income tax expense		**-**	-
Net profit after income tax from continuing operations		**-**	-

[1] Comparative information has been restated to conform to presentation in the current year.

[2] Other fee income consists of lending fees and early repayment adjustments.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Medallion Trust Series 2017-2
Balance Sheet
As at 30 June 2021

	Notes	**2021 $'000**	2020[1] $'000
Assets			
Cash at bank		**162**	184
Other assets	4	**30,829**	36,247
Loans and other receivables	5	**1,207,013**	1,518,853
Total assets		**1,238,004**	1,555,284
Liabilities			
Trade and other payables	6	**5,445**	7,126
Financial liabilities	7	**1,232,559**	1,548,158
Trust corpus[2]		**-**	-
Total liabilities		**1,238,004**	1,555,284
Net assets		**-**	-

[1] Comparative information has been restated to conform to presentation in the current year.

[2] Trust corpus of $100 has been rounded to $nil.

The above Balance Sheet should be read in conjunction with the accompanying notes.

	Total equity[1] $
Balance at 1 July 2019[2]	-
Balance at 30 June 2020[2]	**-**
Balance at 30 June 2021	**-**

[1] Under Australian Accounting Standards (AAS), trust corpus is classified as a financial liability rather than equity. As a result, there was no equity at the start or the end of the year.

[2] Comparative information has been restated to conform to presentation in the current year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	**2021 $'000**	2020[1] $'000
Cash flows from operating activities:			
Net profit before income tax		**-**	-
Net impairment movement on loans and other receivables		**118**	639
Net movement on financial liabilities		**(118)**	(639)
Net decrease in interest receivable		**1,415**	3,923
Net (increase) in other assets		**(111)**	(8)
Net (decrease) in interest payable		**(93)**	(428)
Net (decrease) in other payables		**(1,588)**	(2,969)
Changes in operating assets and liabilities		**(377)**	518
Net cash (used in)/provided by operating activities		**(377)**	518
Cash flows from investing activities:			
Receipts on loans to ultimate parent entity		**315,836**	356,570
Net cash provided by investing activities		**315,836**	356,570
Cash flows from financing activities:			
Repayment of notes issued		**(315,481)**	(357,093)
Net cash used in financing activities	8(b)	**(315,481)**	(357,093)
Net decrease in cash at bank		**(22)**	(5)
Cash at bank at beginning of year		**184**	189
Cash at bank at end of year		**162**	184

[1] Comparative information has been restated to conform to presentation in the current year.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

(a) General information

The Special Purpose Financial Statements ("the Financial Statements") of Medallion Trust Series 2017-2 (“the Trust”) for the financial year ended 30 June 2021 were approved and authorised for issue by the Board of Directors of Securitisation Advisory Services Pty Limited (“the Manager”) on 25 October 2021. The Directors of the Manager have the power to amend and reissue the Financial Statements.

In the Manager’s opinion, the Trust is not a reporting entity because there are no users dependent on general purpose financial statements.

The Financial Statements have been prepared for the sole purpose of complying with the Trust Deed requirements to prepare and distribute a financial report to the Trustee and must not be used for any other purpose. The Financial Statements contain disclosures that are mandatory under the Australian Accounting Standards and the Manager has determined that the accounting policies adopted are appropriate to meet the needs of the Trustee. The Trust is a for-profit entity for the purpose of preparing the Financial Statements.

The Trust was constituted on 17 November 2017 and established under the Master Trust Deed dated 8 October 1997 and a Series Supplement dated 17 November 2017.

The Trust is domiciled in Australia. The address of its principal office is Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

The ultimate parent entity of the Manager and the Trust is the Commonwealth Bank of Australia ACN 123 123 124.

(b) Basis of preparation

The functional and presentation currency of the Trust has been determined to be Australian Dollars (AUD) as this currency best reflects the economic substance of the underlying events and circumstances relevant to the Trust.

The Financial Statements have been prepared using a historical cost basis.

(c) Future Accounting Developments

AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

Effective from 1 July 2021, AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* ("AASB 2020-2") removes the ability of most for-profit private sector entities to be able to self-assess financial reporting requirements and prepare Special Purpose Financial Statements (“SPFS”). Upon adoption, they will need to prepare General Purpose Financial Statements (“GPFS”), either full disclosure GPFS or a new Tier 2 GPFS that comply with all recognition and measurement requirements in Australian Accounting Standards (AAS) (as per AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*).

1 Summary of significant accounting policies (continued)

(c) Future Accounting Developments (continued)

There is an exemption in AASB 2020-2 for entities whose constituting document or another document requires the preparation of financial statements that comply with AAS if created or amended before 1 July 2021 (such as trusts). Therefore the standard is not expected to have any significant impact on the Trust.

Other accounting developments

Other amendments to existing standards that are not yet effective are not expected to result in significant changes to accounting policies.

(d) Offsetting

Income and expenses are only offset in the Statement of Comprehensive Income if permitted under the relevant accounting standard. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet if, and only if, there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(e) Revenue and expense recognition

Revenue is measured based on the consideration to which the Trust expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

The Trust recognises revenue when a performance obligation to a customer is satisfied. The Trust recognises revenue and expenses from the following major sources:

(i) Interest income

Interest income on loans and other receivables is measured using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument, and allocates the interest over the expected life of the financial instrument. Fees and transaction costs integral to loan origination are capitalised and included in interest income recognised over the expected life of the loan.

(ii) Interest expense

Finance costs relating to the medium term notes and related borrowings are measured on an accrual basis using the effective interest method.

(f) Income tax

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

(g) Financial assets and liabilities

The Trust categorises its significant financial assets and liabilities in the following categories:

- Loans and other receivables
- Other assets, excluding prepaid expenses

1 Summary of significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

- Liabilities at amortised cost - interest bearing liabilities
- Derivative financial instruments

(i) Loans and other receivables

Loans and other receivables are financial assets with fixed and determinable payments that are not quoted in an active market. They include loans to the ultimate parent entity. These financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These instruments are accordingly measured at amortised cost. Loans and other receivables are initially recognised at their fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method and are presented net of provisions for impairment.

Under Australian Accounting Standards, securitised loans originated by the Bank and held by the Trust, are not permitted to be derecognised from the Bank's Financial Statements. Accordingly, transactions and balances have been classified as intra-group assets, liabilities, revenues and expenses. This applies to transactions which have taken place with either the Bank or entities within the Commonwealth Bank of Australia Group ("the Group").

Securitised mortgage loans are classified as loans to ultimate parent entity.

Impairment

Provisions are recognised in accordance with the AASB 9 expected credit loss ("ECL") approach. A description of the key components of the Trust's AASB 9 impairment methodology is provided below.

ECL model

The ECL model applies to all financial assets measured at amortised cost. The model uses a three-stage approach to recognition of expected credit losses. Financial assets migrate through these stages based on changes in credit risk since origination:

- *Stage 1: 12 months ECL - performing financial assets*
  On origination, an impairment provision equivalent to 12 months ECL is recognised. 12 months ECL is the credit losses expected to arise from defaults occurring over the next 12 months.
- *Stage 2: Lifetime ECL - performing financial assets that have experienced a significant increase in credit risk ("SICR")*
  Financial assets that have experienced a SICR since origination are transferred to Stage 2 and an impairment provision equivalent to lifetime ECL is recognised. Lifetime ECL is the credit losses expected to arise from defaults occurring over the remaining life of financial assets. If credit quality improves in a subsequent period such that the increase in credit risk since origination is no longer considered significant the exposure is reclassified to Stage 1 and the impairment provision reverts to 12 months ECL.
- *Stage 3 - Lifetime ECL - non-performing financial assets*
  Financial assets in default are transferred to Stage 3 and an impairment provision equivalent to lifetime ECL is recognised. This includes assets that are considered credit impaired as well as assets that are considered to be in default but are not credit impaired.

1 Summary of significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

Credit losses for financial assets in Stage 1 and Stage 2 are assessed for impairment collectively, whilst those in Stage 3 are subjected to either collective or individual assessment of ECL.

Interest income is recognised on gross carrying amounts for financial assets in Stage 1 and Stage 2, and gross carrying value net of impairment provisions for financial assets in Stage 3.

Significant increase in credit risk

SICR is assessed by comparing the risk of default occurring over the expected life of the financial asset at reporting date to the corresponding risk of default at origination. The Trust considers all available qualitative and quantitative information that is relevant to assessing SICR.

Definition of default, credit impaired assets and write-offs

The definition of default used in measuring ECL is aligned to the definition used by the Bank for internal credit risk management purposes across all portfolios. Default occurs when there are indicators that a debtor is unlikely to meet contractual credit obligations to the Trust in full, or the exposure is 90 days past due. Facilities are classified as credit impaired where there is doubt as to whether the full amounts due, including interest and other amounts, will be received in a timely manner.

Loans are written off when there is no reasonable expectation of recovery. Secured loans are generally written off when assets pledged to the Trust have been realised and there are no further prospects of additional recovery.

The offer or uptake of a COVID-19 related repayment deferral was not considered to constitute a default or credit impairment unless the exposure was considered to be impaired based on other available information.

The Bank, as ultimate parent entity of the Trust, has developed and tested AASB 9 models, which the Trust used to calculate impairment provisions. Models have been independently validated and approved by the Group’s Loan Loss Provisioning Committee and the Board Audit Committee. The Trust assessed impairment using the above methodology for cash and cash equivalents, loans to ultimate parent entity, interest receivable and collections of principal, interest and fees receivable.

ECL measurement

ECL is a probability weighted expected credit loss estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. The Trust uses the following four alternative macroeconomic scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

- Central scenario: This scenario considers economists' and Central Bank forecasts as well as the Group's base case assumptions used in business planning and forecasting. This scenario assumes that domestic activity restrictions related to COVID-19, when imposed, are either brief, or in line with past experience, economic activity and jobs recover quickly upon lifting of the restrictions;
- Downside scenario: This scenario contemplates the potential impact of possible, but less likely, adverse macroeconomic conditions, resulting from further nationwide outbreaks of COVID-19 and accompanying sustained periods of hard lockdowns and slow economic recovery;

1 Summary of significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

- Upside scenario: This scenario is included to account for the potential impact of remote, more favourable macroeconomic conditions; and
- Severe downside scenario: This scenario contemplates the potentially severe impact of remote, extremely adverse macroeconomic conditions.

Weights are assigned to each scenario based on management's best estimate of the proportion of potential future loss events that each scenario represents. The same economic scenarios and probability weights apply across all portfolios. The Group's assessment of SICR also incorporates the impact of multiple probability-weighted future forecast economic scenarios on exposures' internal risk grades using the same four forecast macroeconomic scenarios as described above.

Incorporation of experienced credit judgement

Management exercises credit judgement in assessing if an exposure has experienced SICR and in determining the amount of impairment provisions at each reporting date. Where applicable, model adjustments are made to incorporate reasonable and supportable information about known or expected risks that have not been considered in the modelling process. This includes but is not limited to information about emerging risks at an industry, geographical location or a particular portfolio segment level.

(ii) Other assets, excluding prepaid expenses

Other assets include collections of principal, interest and fees receivable from the ultimate parent entity as well as other unrealised income receivable and are recorded at the cash value to be realised when settled.

(iii) Liabilities at amortised cost - interest bearing liabilities

Interest bearing liabilities comprise of Australian dollar denominated medium term notes issued by the Trust. Interest bearing liabilities are initially measured at fair value including direct and incremental costs and subsequently measured at amortised cost using the effective interest method.

(iv) Derivative financial instruments

The Trust holds derivative financial instruments that comprise of interest rate swaps to manage exposures to interest rate risk.

Derivative financial instruments are used to hedge certain assets and liabilities.

Under Australian Accounting Standards, the securitised mortgage loans held by the Trust are not permitted to be derecognised from the financial statements of the originator. Derecognition is not permitted because the Bank provides interest rate swaps to the Trust and as a result retains exposure to substantially all the risks and rewards of the securitised loans. Under AASB 9, the Bank and the Trust should therefore not separately recognise the interest rate swaps in its entity-level Financial Statements.

Interest rate swaps and associated payments/receipts are therefore treated as part of imputed loans and intra-group interest.

1 Summary of significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

Derecognition of financial assets and liabilities

The derecognition of a financial asset takes place when the Trust no longer controls the contractual rights that comprise the financial asset, which is normally the case when it is sold, or all the cash flows attributable to the asset are passed through to an independent third party and the risks and rewards have substantially been transferred.

The derecognition of a financial liability takes place when, and only when, it is extinguished, which is when the obligation specified in the contract is discharged, cancelled or expires.

(h) Excess servicing fee payable to the income unitholder

Excess servicing fee payable to the income unitholder is accrued on a monthly basis as the excess income after all expenses have been accrued, except for unrealised gains or losses arising from fair value of financial instruments and impairment on loans and other receivables.

Excess servicing fee income represents the residual income of the Trust payable to the sole income unitholder, the Bank. Such income is offset with the interest income received on loans to the ultimate parent entity in the Financial Statements.

In accordance with the Trust Deed, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Manager, to the income unitholder, the Bank.

(i) Trust capital

Trust corpus - the beneficial interest in the Trust is divided into two units: one capital unit and one income unit. The income unit is a separate class of unit to the capital unit.

Capital unit

The capital unitholder in the Trust is the Bank.

The beneficial interest in the Trust represented by the capital unit is in each asset of the Trust (other than the beneficial interests in the asset represented by the income unit).

Income unit

The income unitholder in the Trust is the Bank. The beneficial interest represented by the income unit is limited to due but unpaid excess distribution.

Under Australian Accounting Standards (AAS), trust corpus is classified as a financial liability rather than equity. On this basis, the comparative information in the Balance Sheet and the Statement of Changes in Equity has been restated to conform to presentation in the current year.

The Trust has been structured to earn a net interest income each year. Non-cash losses are retained in the Trust and are expected to reverse over time. The classification of trust corpus does not alter the underlying economic interest of the unitholders in the net assets/liabilities and profit or loss attributable to unitholders of the Trust.

1 Summary of significant accounting policies (continued)

(j) Critical judgements and estimates

The application of the Trust's accounting policies requires the use of judgement, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events, which are considered to be relevant, and are reviewed on an ongoing basis. Actual results may differ from these estimates, which could impact the Trust's net assets and profit. Critical accounting judgements and estimates involved in calculating AASB 9 provisions for impairment are provided in Note 1(g). No other transactions or balances were subject to critical estimates or judgements during the financial year.

2 Operating expenses

	2021 $'000	2020 $'000
Arranger fees - related party	**335**	748
Manager fees - related party	**420**	484
Liquidity facility fees - ultimate parent entity	**113**	139
Trustee fees	**10**	97
Other expenses	**155**	322
Total operating expenses	**1,033**	1,790

3 Remuneration of auditor

	2020 $	2020 $
Audit fees	**21,472**	20,847

4 Other assets

	2021 $'000	2020 $'000
Interest receivable on loans to ultimate parent entity	**1,119**	1,554
Collections of principal, interest and fees receivable from ultimate parent entity	**29,678**	34,662
Prepaid expenses	**32**	31
Total other assets	**30,829**	36,247

5 Loans and other receivables

	2021 **$'000**	2020 $'000
Loans to ultimate parent entity	**1,209,116**	1,520,838
Less: Provision for impairment losses	**(2,103)**	(1,985)
Total loans and other receivables	**1,207,013**	1,518,853

6 Trade and other payables

	2021 **$'000**	2020 $'000
Interest payable - medium term notes	**294**	387
Excess servicing fees payable - ultimate parent entity	**4,923**	6,446
Manager fees payable - related party	**8**	10
Arranger fees payable - related party	**8**	50
Liquidity facility fees payable - ultimate parent entity	**2**	3
Trustee fees payable	**2**	2
Extraordinary expense reserve payable to ultimate parent entity	**150**	150
Other payables	**58**	78
Total trade and other payables	**5,445**	7,126

7 Financial liabilities

	2021 **$'000**	2020[1] $'000
Medium term notes	**1,234,662**	1,550,143
Changes in estimated financial liabilities	**(2,103)**	(1,985)
Total financial liabilities	**1,232,559**	1,548,158

[1] Comparative information has been restated to conform to presentation in the current year.

During the year, the estimated payments of medium term notes were revised based on an expected shortfall in cash flows of the Trust in accordance with the transaction documents. The estimated payments on medium term notes may increase or decrease in future periods, up to a maximum of the face value of the medium term notes. As described in Note 1(i), the Trust has restated the comparative information to reclassify the trust corpus to a financial liability. Accordingly, as the medium term notes absorb expected shortfalls in cash flows in accordance with the transaction documents, the gross carrying amount of the medium term notes held at amortised cost in the prior period was restated by $639,000, a decrease in movement of financial liabilities to reflect the revised estimated cash flows, as shown in the reconciliation in Note 8(b).

8 Notes to the Statement of Cash Flows

(a) Financing facilities

The Trust has access to financing facilities from the Bank. An agreement exists between the entities for the advance to be on an 'at call' basis and for as long as it may be required. A liquidity facility is provided by the Bank for the purpose of funding certain income shortfalls in the Trust up to the facility limit of $12 million (2020: $14.5 million). The amount drawn under this facility at period end was $nil (2020: $nil).

(b) Reconciliation of liabilities arising from financing activities

	Financial liabilities $'000	Extraordinary expense reserve payable $'000	Total $'000
Balance at 1 July 2019	**1,905,890**	**150**	**1,906,040**
Changes from financing cash flows			
Repayment of borrowings	(357,093)	-	(357,093)
Adjustment for non-cash items			
Movement in financial liabilities	(639)	-	(639)
Balance at 30 June 2020[1]	**1,548,158**	**150**	**1,548,308**
Balance at 1 July 2020	**1,548,158**	**150**	**1,548,308**
Changes from financing cash flows			
Repayment of borrowings	(315,481)	-	(315,481)
Adjustment for non-cash items			
Movement in financial liabilities	(118)	-	(118)
Balance at 30 June 2021	**1,232,559**	**150**	**1,232,709**

[1] Comparative information has been restated to conform to presentation in the current year.

9 Contingent liabilities, contingent assets and commitments

There were no outstanding contingent liabilities, contingent assets or commitments as at 30 June 2021 (2020: $nil).

10 Events subsequent to the balance sheet date

The Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

In the opinion of the Manager:

(a) the Financial Statements and Notes thereto comply with applicable Accounting Standards to the extent described in Note 1 and the Master Trust Deed dated 8 October 1997;

(b) the Financial Statements and notes thereto give a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the financial year ended 30 June 2021, in accordance with the bases of accounting set out in Note 1;

(c) the Trust operated during the year ended 30 June 2021 in accordance with the provisions of the Master Trust Deed; and

(d) in the opinion of the Manager, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable

Signed for and on behalf of Securitisation Advisory Services Pty Limited as Manager of Medallion Trust Series 2017-2.

V. Hickey

Director
Sydney
25 October 2021

The Special Purpose Financial Statements for the financial year ended 30 June 2021 have been prepared by the Trust Manager, Securitisation Advisory Services Pty Limited as required by the Master Trust Deed.

The Auditor of the Trust, PricewaterhouseCoopers, who has been appointed by us in accordance with the Master Trust Deed, has conducted an audit of these Financial Statements.

A review of operations of the Trust and the results of those operations for the reporting period is contained in the Manager’s report.

Based on our ongoing program of monitoring the Trust, the Trust Manager and our review of the Financial Statements, we believe that:

(i) the Trust has been conducted in accordance with the Master Trust Deed; and

(ii) the Financial Statements have been appropriately prepared and contain all relevant and required disclosures.

We are not aware of any material matter or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the Financial Statements and the Notes thereto that has not already been disclosed.

Signed for and on behalf of Perpetual Trustee Company Limited as Trustee of Medallion Trust Series 2017-2.

Sydney
25 October 2021

Independent auditor's report

To the unitholders of Medallion Trust Series 2017-2

Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of Medallion Trust Series 2017-2 (the Trust) as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with Master Trust Deed dated 8 October 1997 and Series Supplement dated 17 November 2017.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Manager's statement.

Basis for opinion

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

Independence

We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional & 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 also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared to assist Medallion Trust Series 2017-2 to meet the requirements of the Master Trust Deed dated 8 October 1997 and Series Supplement dated 17 November 2017. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Medallion Trust Series 2017-2 and its unitholders and should not be distributed to or used by parties other than Medallion Trust Series 2017-2 and its unitholders. Our opinion is not modified in respect of this matter.

Other information

The Manager of the Trust (the Manager) is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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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 and, in doing so, 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial report

The Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with Master Trust Deed dated 8 October 1997 and Series Supplement dated 17 November 2017, and for such internal control as the Manager determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The Manager has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the unitholders.

In preparing the financial report, the Manager is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

PricewaterhouseCoopers

Alastair Findlay
Partner

Sydney
25 October 2021