

ATLANTIC PACIFIC AUSTRALIAN EQUITY FUND

ARSN 158 861 155

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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This annual report covers Atlantic Pacific Australian Equity Fund as an individual entity.

The Responsible Entity of Atlantic Pacific Australian Equity Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street,
Melbourne, Victoria 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited, the Responsible Entity of Atlantic Pacific Australian Equity Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2023.

Principal activities

The Fund is a long-bias equity market product which typically buys, or short sells, Australian listed securities. Cash, cash equivalents, convertible notes, derivatives and securities in respect of which listing has been proposed may be used within the strategy, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	APSEC Funds Management Pty Ltd
Administrator and Custodian	Apex Fund Services Pty Ltd (an Apex Group Company)*
Prime Broker	Interactive Brokers LLC
Statutory Auditor	PricewaterhouseCoopers

*Effective on 21 October 2022, Mainstream Fund Services Pty Ltd changed its name to Apex Fund Services Pty Ltd.

Directors

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

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for Class A and Class B was 1.0% and -6.4% (net of fees) respectively for the year ended 30 June 2023. The Fund's benchmark, the S&P/ASX 200 Accumulation Index, returned 14.8% for the same period.

Fund Returns are prepared on a redemption unit price basis after management and performance fees inclusive of GST. Distributions are assumed to be re-invested at the mid unit price.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2023	30 June 2022
Profit/(loss) for the year (\$'000)	224	7,447
Distributions - Class A		
Distributions paid and payable (\$'000)	2,365	6,283
Distributions (cents per unit)	5.69	18.14
Distributions - Class B		
Distributions paid and payable (\$'000)	31	-
Distributions (cents per unit)	5.33	-

Significant changes in state of affairs

David B Warren was appointed as a director of Equity Trustees Limited on 6 March 2023.

A second class of units, named the Atlantic Pacific Australian Equity Fund (Class B), was issued on 5 December 2022 under a separate Product Disclosure Statement.

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

DIRECTORS' REPORT (CONTINUED)

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may have a significant effect on:

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

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund 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.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 15 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 15 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 8 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

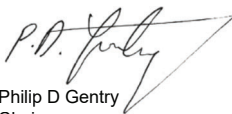
Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

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 on page 4.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
14 September 2023



Auditor's Independence Declaration

As lead auditor for the audit of Atlantic Pacific Australian Equity Fund for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'CJ Cummins', is written over a horizontal line.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
14 September 2023

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Investment income			
Interest income from financial assets at amortised cost		509	100
Dividend income		1,384	679
Net gains/(losses) on financial instruments at fair value through profit or loss		435	8,609
Total investment income/(loss)		2,328	9,388
Expenses			
Dividend expense		362	134
Management fees and costs		1,208	1,005
Transaction costs		528	671
Other expenses		6	131
Total expenses		2,104	1,941
Increase/(decrease) in net assets attributable to unit holders		224	7,447
Finance costs attributable to unit holders			
Distributions to unit holders		(2,396)	-
(Increase)/decrease in net assets attributable to unit holders*		2,172	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	7,447

* Net assets attributable to unit holders were reclassified from equity to liability on 1 July 2022. As a result, the Fund's distributions are classified as finance costs in the statement of comprehensive income. Refer to Note 1 for further detail.

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

STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2023 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents	10	34,273	22,037
Due from brokers - receivable for securities sold		638	1,873
Receivables	12	105	165
Financial assets at fair value through profit or loss	5	19,514	30,459
Total assets		54,530	54,534
Liabilities			
Distributions payable	9	1,355	6,283
Payables	13	92	177
Due to brokers - payable for securities purchased		-	4,838
Financial liabilities at fair value through profit or loss	6	3,003	1
Total liabilities		4,450	11,299
Net assets attributable to unit holders – equity*	8	-	43,235
Net assets attributable to unit holders – liability*		50,080	-

* Net assets attributable to unit holders are classified as liability at 30 June 2023 and as equity at 30 June 2022. Refer to Note 1 for further detail.

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

STATEMENT OF CHANGES IN EQUITY

	Note	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the financial year		43,235	42,415
Reclassification due to issuance of a second class of units*		(43,235)	
Comprehensive income for the year			
Profit/(loss) for the year		-	7,447
Total comprehensive income		-	7,447
Transactions with unit holders			
Applications	8	-	4,716
Redemptions	8	-	(5,084)
Reinvestment of distributions	8	-	24
Distributions paid and payable	8	-	(6,283)
Total transactions with unit holders		-	(6,627)
Total equity at the end of the financial year		-	43,235

* Effective from 1 July 2022, the Fund's units have been reclassified from equity to financial liability. Refer to Note 1 for further detail. As a result, equity transactions, from this date including distributions are not included in the above statement for the year ended 30 June 2023.

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

STATEMENT OF CASH FLOWS

	Note	Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		98,359	94,013
Payments for purchase of financial instruments at fair value through profit or loss		(87,580)	(91,024)
Interest income received from financial assets at amortised cost		509	100
Dividends received		1,493	590
Dividend expense paid on short position securities		(362)	(134)
Management fees and costs paid		(1,196)	(1,009)
Transaction costs paid		(528)	(671)
Other expenses paid		(152)	(35)
Net cash inflow/(outflow) from operating activities	11(a)	10,543	1,830
Cash flows from financing activities			
Proceeds from applications by unit holders		9,787	4,716
Payments for redemptions by unit holders		(7,031)	(5,084)
Distributions paid to unit holders		(1,063)	(5)
Net cash inflow/(outflow) from financing activities		1,693	(373)
Net increase/(decrease) in cash and cash equivalents		12,236	1,457
Cash and cash equivalents at the beginning of the year		22,037	20,580
Cash and cash equivalents at the end of the year	10	34,273	22,037
Non-cash operating and financing activities	11(b)	6,261	24

*The above statement of cash flows should be read in conjunction with the accompanying notes.
Refer to the restatement note 2(r) for restated 2021 figure.*

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1. GENERAL INFORMATION

These financial statements cover Atlantic Pacific Australian Equity Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 1 May 2012 and will terminate in accordance with the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund is a long-bias equity market product which typically buys, or short sells, Australian listed securities. Cash, cash equivalents, convertible notes, derivatives and securities in respect of which listing has been proposed may be used within the strategy, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

During the reporting year, the Fund issued a second class of units, named the Atlantic Pacific Australian Equity Fund (Class B), under a separate Product Disclosure Statement. Following the launch of Atlantic Pacific Australian Equity Fund (Class B), the Fund no longer satisfied the criteria under AASB 132 *Financial Instruments: Presentation* that would allow it to classify net assets attributable to unit holders as equity. As such, effective from 1 July 2022, the Fund's net assets attributable to unit holders have been reclassified from equity to liability.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. SUMMARY OF SIGNIFICANT 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 years presented, unless otherwise stated in the following text.

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. The Fund is a for-profit entity for the purpose of preparing the 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 do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities at fair value through profit or loss and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Financial instruments

i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, audit and tax fees payable, administration fees payables and custodian fees payable).

ii. Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, margin accounts, due from brokers and receivables are carried at amortised cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Financial instruments (continued)

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

v. Offsetting financial instruments

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

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

c. Net assets attributable to unit holders

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

The units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

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 other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

e. Margin Accounts

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

f. Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised 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 measured at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Investment income (continued)

i. Interest income (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

ii. Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

g. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

Dividend expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognised in profit or loss when the shareholders' right to receive payment is established.

Management fees and costs covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees and other operating expense.

h. Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

i. Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

j. Foreign currency translation

Functional and presentation currency

Balances included in the Fund's 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 the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

k. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

l. Receivables

Receivables may include amounts for interest and dividends. Dividends are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

o. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

p. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or 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 Investment Manager.

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

The Fund estimates that the resultant expected credit loss (ECL) derived from using impairment model has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

q. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

r. Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and is limited to the fair value of those positions. The maximum loss of capital on long futures is limited to the notional contract values of those positions. On equities sold short, the maximum loss of capital can be unlimited.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, APSEC Funds Management Pty Ltd ("APSEC") under an Investment Management Agreement (the IMA) that contains the investment strategy and guidelines of the Fund consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Market risk

i. Price risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

APSEC seeks to mitigate price risk by ensuring that the Fund is managed in line with the IMA, including an investment guideline on the maximum holding as a percentage of the overall Fund of any single security (which is 10% of the net asset value of the Fund). APSEC monitors the portfolio on a daily basis to ensure compliance with the IMA requirements.

The Fund also actively maintains a high level of diversification in its holdings, thus potentially reducing the amount of risk in the Fund. The Investment Manager's process seeks to exploit the inefficient pricing of securities of similar companies. Its investment process aims to construct a portfolio intended to have the maximum potential to outperform while minimizing risk.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on reasonably possible shift that investment portfolio in which the Fund invests moves by +/-10% (2022: +/-10%).

ii. Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest bearing financial instruments assets expose it to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows. The impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

b. Summarised sensitivity analysis

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

	Impact on operating profit/net assets attributable to unit holders	
	Price risk	
	+10%	-10%
	\$'000	\$'000
As at 30 June 2023	1,651	(1,651)
As at 30 June 2022	3,046	(3,046)

c. Credit risk

Credit risk arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

i. Settlement of securities transactions

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

ii. Cash and cash equivalents

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

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

d. 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.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests.

Liquidity risk is managed by investing the majority of its assets in investments that are traded in an active market and can be readily disposed of.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2023 and 2022.

i. Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2023					
Distributions payable	1,355	-	-	-	1,355
Payables	92	-	-	-	92
Due to brokers - payable for securities purchased	-	-	-	-	-
Financial liabilities at fair value through profit or loss	3,003	-	-	-	3,003
Contractual cash flows (excluding derivatives)	4,450	-	-	-	4,450
As at 30 June 2022					
Distributions payable	6,283	-	-	-	6,283
Payables	-	177	-	-	177
Due to brokers - payable for securities purchased	4,838	-	-	-	4,838
Financial liabilities at fair value through profit or loss	1	-	-	-	1
Contractual cash flows (excluding derivatives)	11,122	177	-	-	11,299

4. FAIR VALUE MEASUREMENT

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 5 and Note 6)
- Derivative financial instruments (see Note 7)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

a. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

4. FAIR VALUE MEASUREMENT (CONTINUED)

b. Fair value in an inactive or unquoted market (level 2)

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

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2023 and 30 June 2022.

The fund held certain investments with a fair value of nil which have been classified as level 3 as at 30 June 2023.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
Listed equity securities	19,514	-	-	19,514
Total financial assets	19,514	-	-	19,514
Financial liabilities				
Listed equity securities	3,003	-	-	3,003
Total financial liabilities	3,003	-	-	3,003
As at 30 June 2022				
Financial assets				
Listed equity securities	30,442	-	-	30,442
Options	-	17	-	17
Total financial assets	30,442	17	-	30,459
Financial liabilities				
Futures	1	-	-	1
Total financial liabilities	1	-	-	1

d. Transfer between levels

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

Certain investments with a fair value of nil as at 30 June 2023 were transferred to level 3 during the period.

e. Financial instruments not carried at fair value

The carrying values of receivables and payables approximate their fair values due to their short-term nature.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Listed equity securities	19,514	30,442
Options	-	17
Total financial assets at fair value through profit or loss	19,514	30,459

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Futures	-	1
Listed equity securities	3,003	-
Total financial liabilities at fair value through profit or loss	3,003	1

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

7. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

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

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

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

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

The Fund holds the following derivatives:

a. Futures

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

b. Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Fund are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The Fund's derivative financial instruments measured at fair value at year end are detailed below:

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
As at 30 June 2023			
Futures	5,371	-	-
Total derivatives	5,371	-	-
As at 30 June 2022			
Options	2,471	17	-
Futures	(4,846)	-	1
Total derivatives	(2,375)	17	1

Information about the Fund's exposure to credit risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 4 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

8. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - LIABILITY

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

During the year, management reviewed the classification of net assets attributable to unit holders and concluded that units in the Fund no longer meets the classification of equity for the year ended 30 June 2023. As such, units in the Fund have been reclassified as a financial liability.

As a result, the Fund's distributions to unit holders and (increase)/decrease in net assets attributable to unit holders have been classified as finance costs in the statement of comprehensive income.

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

	Year ended		Year ended	
	30 June 2023 Units '000	30 June 2023 \$'000	30 June 2022 Units '000	30 June 2022 \$'000
Class A				
Opening balance	34,624	43,235	35,102	42,415
Applications	6,885	9,197	3,376	4,716
Redemptions	(5,018)	(7,031)	(3,873)	(5,084)
Reinvestment of distributions	4,979	6,261	19	24
Distributions paid and payable	-	-	-	(6,283)
Profit/(loss) for the year	-	-	-	7,447
Increase/(decrease) in net assets attributable to unit holders	-	(2,109)	-	-
Closing balance	41,470	49,553	34,624	43,235
Class B				
Opening balance	-	-	-	-
Applications	596	590	-	-
Redemptions	-	-	-	-
Reinvestment of distributions	-	-	-	-
Distributions paid and payable	-	-	-	-
Increase/(decrease) in net assets attributable to unit holders	-	(63)	-	-
Closing balance	596	527	-	-
Closing balance		50,080		43,235

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

There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital. The amount of net assets attributable to unit holders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unit holders.

Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a monthly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

9. DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Distributions - Class A				
December	1,032	2.44	-	-
June (payable)	1,333	3.25	6,283	18.14
Total distributions	2,365	5.69	6,283	18.14
Distributions - Class B				
December	9	1.61	-	-
June (payable)	22	3.72	-	-
Total distributions	31	5.33	-	-
Total distributions	2,396		6,283	

10. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Cash at bank	31,564	19,338
Unrestricted margin accounts	2,709	2,699
Total cash and cash equivalents	34,273	22,037

11. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

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

	Year ended	
	30 June 2023 \$'000	30 June 2022 \$'000
Profit/(loss) for the year	-	7,447
Increase/(decrease) in net assets attributable to unit holders	(2,172)	-
Distributions to unit holders	2,396	-
Proceeds from sale of financial instruments at fair value through profit or loss	98,359	94,013
Payments for purchase of financial instruments at fair value through profit or loss	(87,580)	(91,024)
Net (gains)/losses on financial instruments at fair value through profit or loss	(435)	(8,609)
Net change in receivables	60	(102)
Net change in payables	(85)	105
Net cash inflow/(outflow) from operating activities	10,543	1,830

b. Non-cash operating and financing activities

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

	6,261	24
Total non-cash operating and financing activities	6,261	24

12. RECEIVABLES

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Dividends receivable	10	119
GST receivable	95	46
Total receivables	105	165

13. PAYABLES

	30 June 2023 \$'000	As at 30 June 2022 \$'000
Management fees and costs payable	92	80
Interest payable	-	97
Total payables	92	177

14. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the auditor of the Fund:

	30 June 2023 \$	Year ended 30 June 2022 \$
PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	24,800	24,100
Audit of compliance plan	2,346	2,346
Total auditor remuneration for audit and other assurance services	27,146	26,446
<i>Taxation services</i>		
Tax compliance services	15,355	14,485
Total remuneration for taxation services	15,355	14,485
Total remuneration of PricewaterhouseCoopers	42,501	40,931

The auditor's remuneration is borne by the Fund and is included in the management fees and costs. Fees are stated exclusive of GST.

15. RELATED PARTY TRANSACTIONS

The Responsible Entity of Atlantic Pacific Australian Equity Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to APSEC Funds Management Pty Ltd to act as Investment Manager for the Fund and Apex Fund Services Pty Ltd to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2023 (30 June 2022: nil).

15. RELATED PARTY TRANSACTIONS (CONTINUED)

d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

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

f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

g. Responsible Entity fees, Investment Manager's fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Management fees for the year	955,965	795,183
Responsible Entity fees for the year	73,342	62,508
Management fees payable at year end	78,283	80,262
Responsible Entity fees payable at year end	5,417	-

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs includes responsible entity fees paid to the Responsible entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

Under the terms of the Fund's Constitution and Product Disclosure Statement, the investment Manager is also entitled to receive a performance fee in relation to the performance of the fund.

h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held units in the Fund, as at 30 June 2023 (30 June 2022: nil).

i. Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (2022: nil).

16. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

17. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

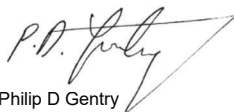
There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 5 to 22 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c. Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
14 September 2023



Independent auditor's report

To the unit holders of Atlantic Pacific Australian Equity Fund

Our opinion

In our opinion:

The accompanying financial report of Atlantic Pacific Australian Equity Fund (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2023
- 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 significant accounting policies and other explanatory information
- the directors' declaration.

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 Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

Other information

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, 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 directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends 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 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:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins
Partner

Sydney
14 September 2023