



# Quay Global Real Estate Fund (Unhedged)

ARSN 610 224 381

Financial Report  
for the year ended 30 June 2024

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## Annual report For the year ended 30 June 2024

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## **Directors' report**

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085), the Responsible Entity ("Responsible Entity") of the Quay Global Real Estate Fund (Unhedged) ("the Fund"), present their report together with the financial report of the Fund for the year ended 30 June 2024 ("the year").

### **Principal activities**

The Fund invests in global listed infrastructure securities in accordance with the Product Disclosure Statement ("PDS") 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 to the Fund are detailed below:

| <b>Service</b>              | <b>Provider</b>                |
|-----------------------------|--------------------------------|
| Responsible Entity          | Bennelong Funds Management Ltd |
| Investment Manager          | Quay Global Investors Pty Ltd  |
| Administrator and Custodian | Citigroup Pty Limited          |
| Statutory Auditor           | Deloitte Touche Tohmatsu       |

### **Directors**

The following persons held office as directors of Bennelong Funds Management Ltd during the year or since the end of the year and up to the date of this report:

|                 |                                       |
|-----------------|---------------------------------------|
| Lincoln McMahon | (Appointed Chairman 17 November 2023) |
| John Burke      |                                       |
| Vicki Allen     | (Resigned 7 February 2024)            |
| Jeremy Cooper   | (Appointed 1 February 2024)           |
| Michael Dwyer   | (Resigned 10 November 2023)           |
| Gillian Larkins | (Appointed 15 April 2024)             |
| Adam Tindall    | (Resigned 31 December 2023)           |
| Andrea Waters   |                                       |

### **Review and results of operations**

During the year, the Fund invested monies in accordance with the investment policies set out in its PDS and in accordance with the provisions of its Constitution.

## Directors' report (continued)

### Results

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

|   | <b>Year ended</b> |            |
|---|-------------------|------------|
|   | <b>30 June</b>    | 30 June    |
|   | <b>2024</b>       | 2023       |
|   | <b>\$'000</b>     | \$'000     |
| Operating profit/(loss) attributable to unitholders     | <b>50,315</b>     | 845        |
| <br><b>Distributions</b>                                |                   |            |
| <b>Class A</b>  |                   |            |
| Interim distribution - 31 December                      | 18                | 15         |
| Interim distribution - 31 December cents per unit (CPU) | <b>2.0627</b>     | 1.8317     |
| <br>Final distribution - 30 June                        | <br>55            | <br>37     |
| Final distribution - 30 June cents per unit (CPU)       | <b>6.3264</b>     | 4.2685     |
| <br><b>Class C</b>                                      |                   |            |
| Interim distribution - 31 December                      | 5,614             | 4,887      |
| Interim distribution - 31 December cents per unit (CPU) | <b>1.4809</b>     | 1.3142     |
| <br>Final distribution - 30 June                        | <br>19,453        | <br>11,192 |
| Final distribution - 30 June cents per unit (CPU)       | <b>4.6114</b>     | 3.0637     |

### Significant changes in state of affairs

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

### Matters subsequent to the end of the financial year

There has been no matter or circumstance since 30 June 2024 that has significantly affected, or may significantly affect:

- (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 its PDS and in accordance with the provisions of its 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.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

## Directors' report (continued)

### 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 the Responsible Entity. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the law, the officers remain fully indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### Indemnity 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 or its associates

Fees paid to the Responsible Entity and its associates out of Fund's property during the year are disclosed in note 12 to the financial report.

No fees were paid out of the Fund's 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 12 to the financial report.

### *Deferred Fund Expenses*

Under the terms of the Fund's Constitution, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Fund. The Fund's PDS outlines in Section 6 that the Responsible Entity caps this amount at 0.10% per annum of the Net Asset Value (NAV) of the Fund.

As at 30 June 2024, the Responsible Entity has incurred nil (2023: nil) of reimbursable expenses in excess of the amount charged to the Fund.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 6 to the financial report.

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 report.

### 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

The Fund is entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.

**Directors' report (continued)**

**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 6.

This report is made in accordance with a resolution of the directors of Bennelong Funds Management Ltd.

A handwritten signature in black ink that reads "John Burke". The signature is written in a cursive, flowing style.

John Burke  
Director  
Sydney  
25 September 2024

25 September 2024

The Board of Directors  
Bennelong Funds Management Ltd  
as Responsible Entity for Quay Global Real Estate Fund (Unhedged)  
Level 1, 9 Queen Street  
MELBOURNE VIC 3000

Dear Directors

### Independence Declaration – Quay Global Real Estate Fund (Unhedged)

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bennelong Funds Management Ltd, the Responsible Entity, regarding the annual financial report for Quay Global Real Estate Fund (Unhedged).

As lead audit partner for the audit of the financial report of Quay Global Real Estate Fund (Unhedged) for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Mark Stretton  
Partner  
Chartered Accountants

Quay Global Real Estate Fund (Unhedged)  
Statement of comprehensive income  
For the year ended 30 June 2024

**Statement of comprehensive income**

|  |       | Year ended    |              |
|--|-------|---------------|--------------|
|  |       | 30 June       | 30 June      |
|  |       | 2024          | 2023         |
|  | Notes | \$'000        | \$'000       |
| <b>Investment income</b>   |       |               |              |
| Interest income  |       | 237           | 114          |
| Dividend/distribution income   |       | 18,186        | 15,529       |
| Net gains/(losses) on financial instruments at fair value through profit or loss | 5     | 36,654        | (10,291)     |
| Net gains/(losses) on foreign exchange   |       | (368)         | (215)        |
| Other operating income   |       | —             | 2            |
| <b>Total investment income/(loss)</b>  |       | <b>54,709</b> | <b>5,139</b> |
| <b>Expenses</b>  |       |               |              |
| Management fees  | 12    | 4,241         | 3,933        |
| Other operating expenses   |       | 153           | 361          |
| <b>Total operating expenses</b>  |       | <b>4,394</b>  | <b>4,294</b> |
| <b>Operating profit/(loss) for the year</b>                                      |       | <b>50,315</b> | <b>845</b>   |
| <b>Profit/(loss) for the year</b>  | 6     | <b>50,315</b> | <b>845</b>   |
| Other comprehensive income   |       | —             | —            |
| <b>Total comprehensive income/(loss) for the year</b>                            |       | <b>50,315</b> | <b>845</b>   |

*The above statement of comprehensive income should be read in conjunction with the notes to the financial report.*



Quay Global Real Estate Fund (Unhedged)  
Statement of financial position  
As at 30 June 2024

**Statement of financial position**

|  |       | As at          |                |
|--|-------|----------------|----------------|
|  |       | 30 June        | 30 June        |
|  |       | 2024           | 2023           |
|  | Notes | \$'000         | \$'000         |
| <b>Assets</b>  |       |                |                |
| Cash and cash equivalents                              | 8     | 22,836         | 4,220          |
| Receivables  | 10    | 2,862          | 1,897          |
| Financial assets at fair value through profit or loss  | 9     | 566,028        | 472,625        |
| <b>Total assets</b>                                    |       | <u>591,726</u> | <u>478,742</u> |
| <b>Liabilities</b>                                     |       |                |                |
| Distributions payable                                  | 7     | 18,948         | 10,522         |
| Payables   | 11    | 2,302          | 1,766          |
| <b>Total liabilities</b>                               |       | <u>21,250</u>  | <u>12,288</u>  |
| <b>Net assets attributable to unitholders - equity</b> | 6     | <u>570,476</u> | 466,454        |

*The above statement of financial position should be read in conjunction with the notes to the financial report.*

**Quay Global Real Estate Fund (Unhedged)**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

**Statement of changes in equity**

|  |       | <b>Year ended</b>     |                 |
|--|-------|-----------------------|-----------------|
|  |       | <b>30 June</b>        | 30 June         |
|  |       | <b>2024</b>           | 2023            |
|  | Notes | <b>\$'000</b>         | \$'000          |
| <b>Total equity at the beginning of the financial year</b> | 6     | <u><b>466,454</b></u> | <u>487,346</u>  |
| <b>Comprehensive income for the financial year</b>         |       |                       |                 |
| Profit/(loss) for the year                                 |       | <b>50,315</b>         | 845             |
| Other comprehensive income                                 |       | <u>—</u>              | <u>—</u>        |
| <b>Total comprehensive income for the year</b>             |       | <b>50,315</b>         | 845             |
| <b>Transactions with unitholders</b>                       |       |                       |                 |
| Applications   | 6     | <b>204,487</b>        | 157,529         |
| Redemptions  | 6     | <b>(126,367)</b>      | (164,114)       |
| Units issued upon reinvestment of distributions            | 6     | <b>727</b>            | 979             |
| Distributions paid and payable                             | 6     | <b>(25,140)</b>       | (16,131)        |
| <b>Total transactions with unitholders</b>                 |       | <u><b>53,707</b></u>  | <u>(21,737)</u> |
| <b>Total equity at the end of the financial year</b>       |       | <u><b>570,476</b></u> | <u>466,454</u>  |

*The above statement of changes in equity should be read in conjunction with the notes to the financial report.*

Quay Global Real Estate Fund (Unhedged)  
Statement of cash flows  
For the year ended 30 June 2024

**Statement of cash flows**

|  | <b>Year ended</b>     |                 |
|--|-----------------------|-----------------|
|  | <b>30 June</b>        | 30 June         |
|  | <b>2024</b>           | 2023            |
| Notes  | <b>\$'000</b>         | \$'000          |
| <b>Cash flows from operating activities</b>                                      |                       |                 |
| Proceeds from sale of financial instruments at fair value through profit or loss | <b>158,380</b>        | 124,169         |
| Purchase of financial instruments at fair value through profit or loss           | <b>(215,489)</b>      | (107,336)       |
| Dividend/distribution received   | <b>17,880</b>         | 15,548          |
| Interest received  | <b>237</b>            | 114             |
| Management fees paid   | <b>(4,189)</b>        | (3,960)         |
| Other income received  | <b>1</b>              | -               |
| Other operating expenses paid  | <b>(266)</b>          | (338)           |
| <b>Net cash inflow/(outflow) from operating activities</b>                       | <b>13(a) (43,446)</b> | <b>28,197</b>   |
| <b>Cash flows from financing activities</b>                                      |                       |                 |
| Proceeds from applications by unitholders  | <b>203,844</b>        | 157,786         |
| Payments for redemptions by unitholders  | <b>(125,787)</b>      | (165,777)       |
| Distributions paid   | <b>(15,986)</b>       | (18,251)        |
| <b>Net cash inflow/(outflow) from financing activities</b>                       | <b>62,071</b>         | <b>(26,242)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                      | <b>18,625</b>         | <b>1,955</b>    |
| Cash and cash equivalents at the beginning of the year                           | <b>4,220</b>          | 2,264           |
| Effects of exchange rate changes on cash and cash equivalents                    | <b>(9)</b>            | 1               |
| <b>Cash and cash equivalents at the end of the year</b>                          | <b>8 22,836</b>       | <b>4,220</b>    |

Non-cash financing and operating activities are disclosed in note 13(b).

*The above statement of cash flows should be read in conjunction with the notes to the financial report.*

## Notes to the financial statements

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## 1 General information

This financial report covers the Quay Global Real Estate Fund (Unhedged) ("the Fund") as an individual entity. The Fund was constituted on 16 June 2014. The Fund commenced operations on 30 July 2014 as an unregistered scheme and was only available to wholesale investors via an information memorandum. The Fund became a registered managed investment scheme on 27 January 2016 under the *Corporations Act 2001*. The Fund may be terminated in accordance with the provisions of the Fund's Constitution. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806) (the "Responsible Entity"). The Responsible Entity's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne, VIC 3000. The financial report is presented in the Australian currency.

The Investment Manager of the Fund is Quay Global Investors Pty Ltd.

The principal activity of the Fund during the year was the investment of unitholders' fund as per the objectives stated in the Fund's Product Disclosure Statement ("PDS") and in accordance with the provisions of the Fund's Constitution. There has been no significant change in the nature of this activity during the year.

The financial report of the Fund was authorised for issue by the directors on 25 September 2024.

## 2 Summary of material accounting policies

The material accounting policies applied in the preparation of this financial report are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001* in Australia.

The Fund is a for-profit entity for the purposes of preparing the financial report.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within 12 months after the end of each reporting period in relation to these balances cannot be reliably determined.

### *Compliance with International Financial Reporting Standards*

The financial report of the Fund complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

### (b) New accounting standards and interpretations

#### *(i) New and amended standards adopted by the Fund*

- AASB 2021-2 Amendments to Australian Accounting Standards – *Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. It amends Australian Accounting Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. The adoption of this standard did not have a material impact on the accounting policy disclosures in the financial report.

## 2 Summary of material accounting policies (continued)

### (b) New accounting standards and interpretations (continued)

#### *(i) New and amended standards adopted by the Fund (continued)*

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### *(ii) 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 2024 and have not been early adopted in preparing these financial report.

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

### (c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include 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 not subject to a significant risk of change in value.

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

### (d) Receivables

Receivables may include amounts for dividends, distributions, interest and outstanding settlements on the sale of investments. Dividends and distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less impairment. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers 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.

### (e) 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. Trades are recorded on trade date and normally settled within two business days.

These amounts are recognised initially at fair value and subsequently measured at amortised cost less impairment. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers 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.

## 2 Summary of material accounting policies (continued)

### (f) Financial instruments

#### (i) Classification

The Fund's investments are classified at fair value through profit or loss upon initial recognition. These include investments in listed equity securities.

#### (ii) Recognition/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 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 obligations under the liabilities are discharged.

#### (iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets 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 the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

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

Further details on how the fair values of financial instruments are determined are disclosed in note 3(e).

#### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (g) Applications and redemptions

Applications received for units in the Fund are recorded net of any buy spread, payable upon application for units in the Fund. Redemptions from the Fund are recorded gross of any sell spread payable upon redemption of units.

### (h) Distributions

The Fund distributes its distributable income adjusted for amounts determined by the Responsible Entity in accordance with the Fund's Constitution, to unitholders by cash or through reinvestment.

### (i) Payables

Payables are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Fund, and include outstanding settlements on the purchase of investments. Amounts are generally paid within 30 days of being recorded as payables.

## 2 Summary of material accounting policies (continued)

### (j) Net assets attributable to unitholders

Units are classified as equity when they satisfy the following criteria under *AASB 132 Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributed to the puttable financial instrument over the life are based substantially on the profit or loss.

The Fund's units are equity as they satisfied all the above criteria.

### (k) Investment income

Interest income is recognised in the statement of comprehensive income using the accruals method. Dividend income is recognised on the ex dividend date with any related withholding tax recorded as an expense. Trust distributions are recognised on an entitlement basis.

Changes in fair value of financial instruments are recorded in accordance with the policies described in note 2(f) to the financial report.

### (l) Expenses

All expenses, including management fees, performance fees, administration fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

### (m) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. The Fund's distributions are classified as distributions paid and payable in the Statement of changes in equity.

### (n) Income tax

The Fund has elected into the Attribution Managed Investment Trusts rules, such that the determined trust components of the Fund will be taxable in the hands of the beneficiaries (the unitholders) on an attribution basis.

Accordingly, deferred taxes have not been recognised in the financial report in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains/losses which could arise in the event of a sale of investments for the amount at which they are stated in the financial report.

Realised capital losses are not attributed to unitholders but instead are retained within the Fund to be offset against realised capital gains. The benefit of any carried forward capital losses is also not recognised in the financial report. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income attributed to unitholders as noted above.



## 2 Summary of material accounting policies (continued)

### (o) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as investment management fees and custodial services has been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") at a rate of at least 55%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Payables 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) Foreign currency translation

#### (i) Functional and presentation currency

Balances included in the Fund's financial report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar (AUD), 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.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

The Fund does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included with the net gains/(losses) on financial instruments at fair value through profit or loss.

### (q) Use of estimates

From time to time the Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As at 30 June 2024 there are no material estimates (30 June 2023: Nil).

### (r) Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand Australian dollar (AUD) in accordance with that Instrument, unless otherwise indicated.

## 3 Financial risk management

The Fund is exposed to credit risk, liquidity risk and market risk (including price risk and interest rate risk) arising from the financial instruments it holds. The Responsible Entity has outsourced the managing of these risks to the Investment Manager who does so through a process of ongoing identification, measurement and monitoring.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Constitution and PDS. 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.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity securities is limited to the Fund's fair value of those positions.

### **3 Financial risk management (continued)**

Risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Fund from reasonably foreseeable changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Responsible Entity is willing to accept.

This information is prepared and regularly reported to relevant parties within the Responsible Entity.

As part of its risk management strategy, the Fund may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Fund monitors its exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

#### **(a) Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Fund's investment activities are undertaken in accordance with established mandate limits and investment strategies.

##### *(i) Price risk*

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. These investments are classified in the Statement of financial position at fair value through profit or loss. The fair value of the investments represents the Fund's maximum price risk.

The table at note 3(b) summarises the sensitivity of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests move by +/-10% (2023: +/-10%).

##### *(ii) Foreign exchange risk*

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

The Fund has the right to invest in non-AUD denominated listed equities, therefore exposing the fund to foreign exchange risk.

Any non-AUD denominated investments are translated using the spot rate at balance sheet date. Non-AUD denominated income is translated at the prevailing spot rate on the date of receipt.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

The table below summarises the fair value of the Fund's monetary financial assets and liabilities, which are denominated in all currencies.

| <b>30 June 2024</b>                                   | <b>Australian<br/>Dollars<br/>A\$'000</b> | <b>US<br/>Dollars<br/>A\$'000</b> | <b>British<br/>Pounds<br/>A\$'000</b> | <b>Other<br/>currencies<br/>A\$'000</b> | <b>Total<br/>A\$'000</b> |
|---|---|-----------------------------------|---------------------------------------|---|--------------------------|
| Cash and cash equivalents                             | 21,089                                    | 806                               | 20                                    | 921                                     | 22,836                   |
| Receivables   | 1,108                                     | 991                               | 100                                   | 663                                     | 2,862                    |
| Financial assets at fair value through profit or loss | 34,164                                    | 327,529                           | 89,437                                | 114,898                                 | 566,028                  |
| Distributions payable                                 | (18,948)                                  | -                                 | -                                     | -                                       | (18,948)                 |
| Payables  | (2,302)                                   | -                                 | -                                     | -                                       | (2,302)                  |
|   | <u>35,111</u>                             | <u>329,326</u>                    | <u>89,557</u>                         | <u>116,482</u>                          | <u>570,476</u>           |
| <br>  |   |                                   |                                       |   |                          |
| <b>30 June 2023</b>                                   | <b>Australian<br/>Dollars<br/>A\$'000</b> | <b>US<br/>Dollars<br/>A\$'000</b> | <b>British<br/>Pounds<br/>A\$'000</b> | <b>Other<br/>currencies<br/>A\$'000</b> | <b>Total<br/>A\$'000</b> |
| Cash and cash equivalents                             | 3,515                                     | 570                               | 71                                    | 64                                      | 4,220                    |
| Receivables   | 448                                       | 1,236                             | 101                                   | 112                                     | 1,897                    |
| Financial assets at fair value through profit or loss | 22,184                                    | 310,246                           | 80,924                                | 59,271                                  | 472,625                  |
| Distributions payable                                 | (10,522)                                  | -                                 | -                                     | -                                       | (10,522)                 |
| Payables  | (1,766)                                   | -                                 | -                                     | -                                       | (1,766)                  |
|   | <u>13,859</u>                             | <u>312,052</u>                    | <u>81,096</u>                         | <u>59,447</u>                           | <u>466,454</u>           |

##### (iii) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rates. Interest rate risk is not considered to be significant.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

The table below details the Fund's exposure to interest rates into the relevant categories at the reporting date. The table at note 3(b) summarises the Fund's sensitivity to interest rate risk.

|   | Floating<br>interest<br>rate<br>\$'000 | Fixed<br>interest<br>rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|---|--|-------------------------------------|---------------------------------------|-----------------|
| <b>30 June 2024</b>   |  |                                     |                                       |                 |
| <b>Assets</b>   |  |                                     |                                       |                 |
| Cash and cash equivalents   | 22,836                                 | –                                   | –                                     | 22,836          |
| Receivables   | –                                      | –                                   | 2,862                                 | 2,862           |
| Financial assets at fair value through profit or loss                       | –                                      | –                                   | 566,028                               | 566,028         |
| <b>Total assets</b>   | <u>22,836</u>                          | <u>–</u>                            | <u>568,890</u>                        | <u>591,726</u>  |
| <b>Liabilities</b>  |  |                                     |                                       |                 |
| Distributions payable   | –                                      | –                                   | 18,948                                | 18,948          |
| Payables  | –                                      | –                                   | 2,302                                 | 2,302           |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> | <u>–</u>                               | <u>–</u>                            | <u>21,250</u>                         | <u>21,250</u>   |
| <b>Net exposure</b>   | <u>22,836</u>                          | <u>–</u>                            | <u>547,640</u>                        | <u>570,476</u>  |

|   | Floating<br>interest<br>rate<br>\$'000 | Fixed<br>interest<br>rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|---|--|-------------------------------------|---------------------------------------|-----------------|
| <b>30 June 2023</b>   |  |                                     |                                       |                 |
| <b>Assets</b>   |  |                                     |                                       |                 |
| Cash and cash equivalents   | 4,220                                  | –                                   | –                                     | 4,220           |
| Receivables   | –                                      | –                                   | 1,897                                 | 1,897           |
| Financial assets at fair value through profit or loss                       | –                                      | –                                   | 472,625                               | 472,625         |
| <b>Total assets</b>   | <u>4,220</u>                           | <u>–</u>                            | <u>474,522</u>                        | <u>478,742</u>  |
| <b>Liabilities</b>  |  |                                     |                                       |                 |
| Distributions payable   | –                                      | –                                   | 10,522                                | 10,522          |
| Payables  | –                                      | –                                   | 1,766                                 | 1,766           |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> | <u>–</u>                               | <u>–</u>                            | <u>12,288</u>                         | <u>12,288</u>   |
| <b>Net exposure</b>   | <u>4,220</u>                           | <u>–</u>                            | <u>462,234</u>                        | <u>466,454</u>  |

An analysis of financial liabilities by maturities is provided in note 3(d).

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to price, interest rate and foreign exchange rate risk. The possible movements in the risk variables have been determined based on the Responsible Entity's best estimates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables. The price risk variables relate to a weighted average percentage movement in the price of equities owned at 30 June 2024. The interest rate risk variables relate to a weighted average percentage movement in cash and cash equivalents at 30 June 2024. The foreign exchange risk analysis is based on the unfavourable movement in the Australian dollar by +/- 10% against the material foreign currencies to which the Fund is exposed as at 30 June 2024.

|                     | Impact on operating profit / net assets attributable to unitholders |               |                    |            |                       |               |
|---------------------|---|---------------|--------------------|------------|-----------------------|---------------|
|                     | Price Risk  |               | Interest rate risk |            | Foreign exchange risk |               |
|                     | -10%  | +10%          | -1%                | +1%        | -10%                  | +10%          |
|                     | \$'000  | \$'000        | \$'000             | \$'000     | \$'000                | \$'000        |
| <b>30 June 2024</b> | <b>(56,603)</b>   | <b>56,603</b> | <b>(228)</b>       | <b>228</b> | <b>(48,668)</b>       | <b>59,487</b> |
| 30 June 2023        | (47,263)  | 47,263        | (42)               | 42         | (41,145)              | 50,288        |

#### (c) Credit risk

Credit (or counterparty) risk is the risk that one party to a financial instrument will fail to perform its contractual obligations and cause the Fund to incur a financial loss.

The Fund's maximum credit risk exposure at reporting date in relation to each class of recognised financial asset, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in the Statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

In relation to equity and derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with counterparties on recognised exchanges or, where applicable, ensuring that transactions are undertaken with a large number of counterparties.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

The Fund does not have a significant concentration of credit risk that 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.

There are no financial assets that are past due or impaired.

#### (d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with financial assets and liabilities. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount or timing.

These risks are controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

Financial liabilities of the Fund comprise trade and other payables, and distributions payable. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days of the obligation arising.

The table below details the Fund's financial liabilities into the relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

|                        | Less than 1<br>month<br>\$'000 | 1-6<br>months<br>\$'000 | 6-12<br>months<br>\$'000 | Over 12<br>months<br>\$'000 | Total<br>\$'000 |
|------------------------|--------------------------------|-------------------------|--------------------------|-----------------------------|-----------------|
| <b>At 30 June 2024</b> |                                |                         |                          |                             |                 |
| Distributions payable  | 18,948                         | -                       | -                        | -                           | 18,948          |
| Payables               | 2,302                          | -                       | -                        | -                           | 2,302           |
|                        | <u>21,250</u>                  | <u>-</u>                | <u>-</u>                 | <u>-</u>                    | <u>21,250</u>   |
|                        | Less than 1<br>month<br>\$'000 | 1-6<br>months<br>\$'000 | 6-12<br>months<br>\$'000 | Over 12<br>months<br>\$'000 | Total<br>\$'000 |
| <b>At 30 June 2023</b> |                                |                         |                          |                             |                 |
| Distributions payable  | 10,522                         | -                       | -                        | -                           | 10,522          |
| Payables               | 1,766                          | -                       | -                        | -                           | 1,766           |
|                        | <u>12,288</u>                  | <u>-</u>                | <u>-</u>                 | <u>-</u>                    | <u>12,288</u>   |

#### (e) Fair value estimation

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value including any transaction costs that are attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

##### (i) Fair value in an active market (Level 1)

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

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Fund holds derivatives with offsetting market risks, it uses last traded prices as a basis for establishing fair values for the offsetting risk positions and applies this last traded 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.

### 3 Financial risk management (continued)

#### (e) Fair value estimation (continued)

##### *(ii) Fair value in an inactive or unquoted market*

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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

#### (f) Fair value hierarchy

AASB 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and not provided by independent sources that are actively involved in the relevant market.

### 3 Financial risk management (continued)

#### (f) Fair value hierarchy (continued)

The tables below set out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023.

| As at 30 June 2024                                     | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>Financial assets</b>                                |                   |                   |                   |                 |
| Financial assets at fair value through profit or loss: |                   |                   |                   |                 |
| Listed equity securities                               | 566,028           | -                 | -                 | 566,028         |
| <b>Total financial assets</b>                          | <b>566,028</b>    | <b>-</b>          | <b>-</b>          | <b>566,028</b>  |

| As at 30 June 2023                                     | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>Financial assets</b>                                |                   |                   |                   |                 |
| Financial assets at fair value through profit or loss: |                   |                   |                   |                 |
| Listed equity securities                               | 472,625           | -                 | -                 | 472,625         |
| <b>Total financial assets</b>                          | <b>472,625</b>    | <b>-</b>          | <b>-</b>          | <b>472,625</b>  |

### 4 Auditor's remuneration

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

|   | Year ended            |                       |
|---|-----------------------|-----------------------|
|   | 30 June<br>2024<br>\$ | 30 June<br>2023<br>\$ |
| <b>Audit Services</b>                                 |                       |                       |
| <b>Deloitte Touche Tohmatsu</b>                       |                       |                       |
| Audit of the financial report of the Fund*            | 13,600                | 12,681                |
| Audit of the compliance plan of the Fund*             | 5,057                 | 4,527                 |
| Review of the half-year financial report of the Fund* | 6,676                 | 6,225                 |
| <b>Total remuneration for audit services</b>          | <b>25,333</b>         | <b>23,433</b>         |

\*These fees are paid by the Responsible Entity of the Fund. In certain circumstances, these amounts are charged by the Responsible Entity to the Fund.

### 5 Net gains/(losses) on financial instruments at fair value through profit or loss

|   | Year ended                |                           |
|---|---------------------------|---------------------------|
|   | 30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
| <b>Financial instruments</b>  |                           |                           |
| Net realised gains/(losses) on financial instruments at fair value through profit or loss     | 9,034                     | (2,076)                   |
| Net unrealised gains/(losses) on financial instruments at fair value through profit or loss   | 27,620                    | (8,215)                   |
| <b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b> | <b>36,654</b>             | <b>(10,291)</b>           |



## 6 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund classifies a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The movement in the number of units and net assets attributable to unitholders during the year was as follows:

| <b>Class A</b>                                  | <b>30 June<br/>2024<br/>Units'000</b> | 30 June<br>2023<br>Units'000 | <b>30 June<br/>2024<br/>\$'000</b> | 30 June<br>2023<br>\$'000 |
|---|---------------------------------------|------------------------------|------------------------------------|---------------------------|
| Opening balance as at 1 July                    | 870                                   | 849                          | 1,533                              | 1,661                     |
| Units issued upon reinvestment of distributions | 28                                    | 21                           | 51                                 | 37                        |
| Distribution paid and payable                   | –                                     | –                            | (73)                               | (52)                      |
| Profit/(loss) for the year                      | –                                     | –                            | 163                                | (113)                     |
| <b>Closing balance as at 30 June</b>            | <b>898</b>                            | 870                          | <b>1,674</b>                       | 1,533                     |
| <b>Class C</b>                                  | <b>30 June<br/>2024<br/>Units'000</b> | 30 June<br>2023<br>Units'000 | <b>30 June<br/>2024<br/>\$'000</b> | 30 June<br>2023<br>\$'000 |
| Opening balance as at 1 July                    | 365,839                               | 371,791                      | 464,921                            | 485,685                   |
| Applications                                    | 150,082                               | 121,912                      | 204,487                            | 157,529                   |
| Redemptions                                     | (94,186)                              | (128,613)                    | (126,367)                          | (164,114)                 |
| Units issued upon reinvestment of distributions | 498                                   | 749                          | 676                                | 942                       |
| Distribution paid and payable                   | –                                     | –                            | (25,067)                           | (16,079)                  |
| Profit/(loss) for the year                      | –                                     | –                            | 50,152                             | 958                       |
| <b>Closing balance as at 30 June</b>            | <b>422,233</b>                        | 365,839                      | <b>568,802</b>                     | 464,921                   |
| <b>Total</b>                                    |                                       |                              | <b>570,476</b>                     | 466,454                   |

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 to the underlying assets of the Fund. Each unit has the same rights attaching to it as all other units of the Fund.

### Capital risk management

The Fund considers its net assets attributable to unitholders as capital. Net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Investment Manager. 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 a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 7 Distributions to unitholders

The distributions for the year were as follows:

|                              | 30 June<br>2024<br>\$'000 | Year ended<br>30 June<br>2024<br>CPU | 30 June<br>2023<br>\$'000 | 30 June<br>2023<br>CPU |
|------------------------------|---------------------------|--------------------------------------|---------------------------|------------------------|
| <b>Class A Distributions</b> |                           |                                      |                           |                        |
| Distributions - December     | 18                        | 2.0627                               | 15                        | 1.8317                 |
| Distributions - June         | 55                        | 6.3264                               | 37                        | 4.2685                 |
|                              | <u>73</u>                 |                                      | <u>52</u>                 |                        |
| <b>Class C Distributions</b> |                           |                                      |                           |                        |
| Distributions - December     | 5,614                     | 1.4809                               | 4,887                     | 1.3142                 |
| Distributions - June         | 19,453                    | 4.6114                               | 11,192                    | 3.0637                 |
|                              | <u>25,067</u>             |                                      | <u>16,079</u>             |                        |

## 8 Cash and cash equivalents

|              | As at<br>30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
|--------------|------------------------------------|---------------------------|
| Cash at bank | <u>22,836</u>                      | <u>4,220</u>              |

This account is bearing a floating interest rate of between 4.02% - 4.28% as at 30 June 2024 (30 June 2023: 0.76% - 4.02%).

The above figures reconcile to the amount of cash shown in the Statement of cash flows at the end of the year as follows:

|                                      | As at<br>30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
|--------------------------------------|------------------------------------|---------------------------|
| Balance as above                     | <u>22,836</u>                      | <u>4,220</u>              |
| Balances per statement of cash flows | <u>22,836</u>                      | <u>4,220</u>              |

## 9 Financial assets at fair value through profit or loss

|  | As at<br>30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
|--|------------------------------------|---------------------------|
| <b>Financial assets at fair value through profit or loss</b>       |                                    |                           |
| Listed equity securities   | 566,028                            | 472,625                   |
| <b>Total financial assets at fair value through profit or loss</b> | <u>566,028</u>                     | <u>472,625</u>            |

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

## 10 Receivables

|                                    | As at                     |                           |
|------------------------------------|---------------------------|---------------------------|
|                                    | 30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
| Dividends/distributions receivable | 1,754                     | 1,449                     |
| RITC receivable                    | 89                        | 72                        |
| Applications receivable            | 1,019                     | 376                       |
| <b>Total</b>                       | <b>2,862</b>              | <b>1,897</b>              |

## 11 Payables

|                                  | As at                     |                           |
|----------------------------------|---------------------------|---------------------------|
|                                  | 30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
| Management fees payable          | 366                       | 314                       |
| Other operating expenses payable | 78                        | 174                       |
| Redemptions payable              | 1,858                     | 1,278                     |
| <b>Total</b>                     | <b>2,302</b>              | <b>1,766</b>              |

## 12 Related party transactions

### Responsible Entity

The Responsible Entity of the Fund is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806). Accordingly, transactions with entities related to Bennelong Funds Management Ltd are disclosed below.

### Key management personnel

Key management personnel includes persons who were directors of Bennelong Funds Management Ltd at any time during the financial year or since the end of the year up to the date of this report:

#### Directors:

|                 |                                       |
|-----------------|---------------------------------------|
| Lincoln McMahon | (Appointed Chairman 17 November 2023) |
| John Burke      |                                       |
| Vicki Allen     | (Resigned 7 February 2024)            |
| Jeremy Cooper   | (Appointed 1 February 2024)           |
| Michael Dwyer   | (Resigned 10 November 2023)           |
| Gillian Larkins | (Appointed 15 April 2024)             |
| Adam Tindall    | (Resigned 31 December 2023)           |
| Andrea Waters   |                                       |

#### Other key management personnel:

|               |                   |
|---------------|-------------------|
| Jeff Phillips | Company Secretary |
|---------------|-------------------|

### Key management personnel compensation

Key management personnel are paid by the parent company of the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

### Key management personnel loan disclosures

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 year.

## 12 Related party transactions (continued)

### 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 key management personnel's interests existing at year end.

### Responsible Entity's/manager's fees and other transactions

Under the terms of the Fund's Constitution and the current PDS for the Fund, the Responsible Entity is entitled to receive fees.

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the year and amounts at year end between the Fund and the Responsible Entity were as follows:

|   | Year ended      |                 |
|---|-----------------|-----------------|
|   | 30 June<br>2024 | 30 June<br>2023 |
|   | \$              | \$              |
| Management fees for the year  | 4,240,676       | 3,933,256       |
| Aggregate amounts payable to the Responsible Entity at the reporting date | 366,202         | 314,485         |

### Key management personnel unit holdings

Key personnel and parties related to the Fund during the year, including the Responsible Entity, its associates and other managed investment schemes managed by Bennelong Funds Management Ltd, held the following units in the Fund at the end of the year:

|   | Number of<br>units held<br>closing<br>Units | Interest<br>held<br>% | Number of<br>units acquired<br>during the<br>year<br>Units | Number of<br>units<br>disposed<br>during the<br>year<br>Units | Number of Distributions<br>units paid/payable<br>disposed by the Fund<br>during the year<br>\$ |
|---|---|-----------------------|--|---|--|
| <b>30 June 2024</b>                     |   |                       |  |   |  |
| Unitholders                             |   |                       |  |   |  |
| Chris Bedingfield                       | 551,913                                     | 0.13                  | 23,818   | –   | 38,590   |
| JSB Investments (Australia) Pty Ltd     |   |                       |  |   |  |
| ATF The Blaess No 1 Trust               | 285,575                                     | 0.07                  | 12,357   | –   | 16,779   |
| JSB SMSF Investments Pty Ltd ATF        |   |                       |  |   |  |
| JSB Superannuation Fund                 | 384,556                                     | 0.09                  | 16,555   | –   | 30,791   |
| VLB Super Pty Ltd ATF HJB               |   |                       |  |   |  |
| Superannuation Fund                     | 252,181                                     | 0.06                  | 18,010   | –   | 14,712   |
| Kirsten Blaess                          | 560,533                                     | 0.13                  | 24,255   | –   | 32,934   |
|   |   |                       |  |   |  |
|   | Number of                                   | Interest              | Number of  | Number of   | Distributions  |
|   | units held                                  | held                  | units acquired   | units   | paid/payable   |
|   | closing                                     | %                     | during the   | disposed  | by the Fund  |
|   | Units                                       |                       | year   | during the  | during the   |
|   |   |                       | Units  | year  | year   |
|   |   |                       |  | Units   | \$   |
| <b>30 June 2023</b>                     |   |                       |  |   |  |
| Unitholders                             |   |                       |  |   |  |
| Chris Bedingfield                       | 528,095                                     | 0.14                  | 271,188  | –   | 23,632   |
| JSB Investments (Australia) Pty Ltd     |   |                       |  |   |  |
| ATF The Blaess No 1 Trust               | 273,218                                     | 0.07                  | 153,906  | –   | 11,643   |
| JSB Investments (Australia) Pty Ltd ATF |   |                       |  |   |  |
| JSB Superannuation Fund                 | 368,001                                     | 0.10                  | 12,534   | –   | 21,609   |
| VLB Super Pty Ltd ATF HJB               |   |                       |  |   |  |
| Superannuation Fund                     | 234,171                                     | 0.06                  | 27,158   | 195,445   | 9,726  |
| Kirsten Blaess                          | 536,278                                     | 0.15                  | 18,178   | –   | 22,852   |

### 13 Reconciliation of profit/(loss) to net cash flow from operating activities

|  | Year ended                |                           |
|--|---------------------------|---------------------------|
|  | 30 June<br>2024<br>\$'000 | 30 June<br>2023<br>\$'000 |
| <b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>      |                           |                           |
| Operating profit/(loss) for the year   | 50,315                    | 845                       |
| Proceeds from sale of financial instruments at fair value through profit or loss                       | 158,380                   | 124,169                   |
| Purchase of financial instruments at fair value through profit or loss                                 | (215,489)                 | (107,336)                 |
| Net (gains)/losses on financial instruments at fair value through profit or loss                       | (36,295)                  | 10,291                    |
| Net (gains)/losses on foreign exchange   | 9                         | 215                       |
| Net change in receivables excluding applications   | (322)                     | (62)                      |
| Net change in payables excluding redemptions   | (44)                      | 75                        |
| <b>Net cash inflow/(outflow) from operating activities</b>   | <b>(43,446)</b>           | <b>28,197</b>             |
| <b>(b) Non-cash financing and investing activities</b>   |                           |                           |
| During the year, the following distribution payments were satisfied by the issue of units in the Funds | 727                       | 979                       |

### 14 Events occurring after the reporting date

No significant events have occurred since the reporting date which would impact on the financial position of the Fund disclosed in the Statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

### 15 Contingent assets, liabilities and commitments

In accordance with the Fund's Constitution, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Fund. The Fund's PDS outlines in Section 6 that the Responsible Entity caps this amount at 0.10% per annum of the Net Asset Value (NAV) of the Fund.

As at 30 June 2024, the Responsible Entity has incurred nil (2023: nil) reimbursable expenses in excess of the amount charged to the Fund.

The Responsible Entity is committed to treating unitholders fairly and will only request reimbursement of this amount in the event that the Fund's NAV is sufficient and if the payment does not have any significant adverse impact on unitholders.

The following table reflects the movements in deferred fund expenses for the year:

|  | As at                 |                       |
|--|-----------------------|-----------------------|
|  | 30 June<br>2024<br>\$ | 30 June<br>2023<br>\$ |
| Opening balance                              | -                     | 34,709                |
| New expenses incurred                        | 242,832               | 205,848               |
| Deferred expenses reimbursed during the year | (242,832)             | (240,557)             |
| Closing balance                              | =                     | =                     |

There were no other contingencies for the Fund at the reporting date.

## Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial report is in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board interpretations and International Financial Reporting Standards as stated in note 2 to the financial report;
- (c) in the directors' opinion, the attached financial report and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 295(5) of the *Corporations Act 2001*.



John Burke  
Director  
Sydney  
25 September 2024

## Independent Auditor's Report to the Unitholders of Quay Global Real Estate Fund (Unhedged)

### *Opinion*

We have audited the financial report of Quay Global Real Estate Fund (Unhedged) (the "Fund") which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *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 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Bennelong Funds Management Ltd (the "Responsible Entity"), would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Directors of the Responsible Entity ("the Directors"), are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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, 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 for the Financial Report*

The Directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund in accordance with Australian Accounting Standards; and
- For such internal control as the Directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors 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 either intend to liquidate the Fund or to cease operations, or has 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



# Deloitte.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*M Stretton*

Mark Stretton  
Partner  
Chartered Accountants

Melbourne, 25 September 2024