



Bennelong Australian Equities Fund

ARSN 134 995 887

Bennelong Concentrated Australian Equities Fund

ARSN 134 995 921

Bennelong Emerging Companies Fund

ARSN 618 113 456

Bennelong ex-20 Australian Equities Fund

ARSN 137 843 826

Condensed Financial Report for the half-year ended 31 December 2023

Bennelong Australian Equities Fund (ARSN 134 995 887)

Bennelong Concentrated Australian Equities Fund (ARSN 134 995 921)

Bennelong Emerging Companies Fund (ARSN 618 113 456)

Bennelong ex-20 Australian Equities Fund (ARSN 137 843 826)

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Directors' report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085), the Responsible Entity of the following managed investment schemes (the "Funds") present their report together with the condensed financial reports of the Funds for the half-year ended 31 December 2023.

Fund name	Referred to in this document as	ARSN
Bennelong Australian Equities Fund	Australian Equities Fund	134 995 887
Bennelong Concentrated Australian Equities Fund	Concentrated Australian Equities Fund	134 995 921
Bennelong Emerging Companies Fund	Emerging Companies Fund	618 113 456
Bennelong ex-20 Australian Equities Fund	ex-20 Australian Equities Fund	137 843 826

Principal activities

The Funds invest in Australian authorised investments in accordance with the Product Disclosure Statements ("PDSs") and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the half-year.

There were no significant changes in the nature of the Funds' activities during the half-year.

The various service providers to the Funds are detailed below:

Service	Provider
Responsible Entity	Bennelong Funds Management Ltd
Investment Manager	Bennelong Australian Equity Partners 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 half-year or since the end of the half-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)
Adam Tindall	(Resigned 31 December 2023)
Andrea Waters	

Review and results of operations

During the half-year, the Funds invested monies in accordance with the investment policies set out in relevant PDSs and in accordance with the provisions of the relevant Constitution.

Directors' report (continued)

Results

The performance of the Funds, as represented by the results of their operations, were as follows

	Australian Equities Fund		Concentrated Australian Equities Fund	
	For the period		For the period	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	115,476	(4,681)	163,388	(9,184)
Interim distribution - 31 December	6,549	9,371	8,653	14,734
Interim distribution - 31 December cents per unit (CPU)	1.8180	2.2809	1.7148	2.2817
	Emerging Companies Fund		ex-20 Australian Equities Fund	
	For the period		For the period	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	13,726	8,966	322,895	(139,547)
Interim distribution - 31 December	944	–	12,416	14,413
Interim distribution - 31 December cents per unit (CPU)	2.0870	–	1.1093	1.0065

Significant changes in state of affairs

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

Matters subsequent to the end of the half-year

There has been no matter or circumstance since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the state of affairs of the Funds in future financial periods.

Directors' report (continued)

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the relevant PDSs and in accordance with the provisions of the relevant Constitution.

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

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Funds 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 Funds' Constitutions and the law, the officers remain fully indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnity of auditor

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

Deferred Fund Expenses

Under the terms of the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (NAV) of the Funds.

As at 31 December 2023, the Responsible Entity has incurred reimbursable expenses in excess of the amount charged to the Funds as below:

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund		ex-20 Australian Equities Fund	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Reimbursable expenses	-	-	-	-	553,185	445,424	-	-

These amounts represent expenses that have been incurred by the Responsible Entity on behalf of the Funds, for which the Responsible Entity is entitled, but has deferred reimbursement. Payment of this amount is contingent upon there being significant growth in the Funds' NAV, such that the payment will not result in expenses exceeding the amount set out in the Funds' PDSs at the date of payment, the timing of which cannot be reliably estimated at the reporting date.

Directors' report (continued)

Environmental regulation

The operations of the Funds 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 Funds are entities 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 condensed financial reports and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.


Single set of condensed financial reports

The Funds are entities of the kind referred to by *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

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.



John Burke
Director
Sydney
13 March 2024

13 March 2024

The Board of Directors
Bennelong Funds Management Ltd –
as Responsible Entity for the BAEP Funds
Level 1, 9 Queen Street
Melbourne VIC 3000

Dear Directors,

Auditor's Independence Declaration to Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund and Bennelong ex-20 Australian Equities Fund (collectively the "BAEP Funds")

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, as Responsible Entity for the BAEP Funds.

As lead audit partner for the half-year review of the condensed financial reports of the BAEP Funds for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the half-year review; and
- (ii) any applicable code of professional conduct in relation to the half-year review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants

**Condensed statements of profit and loss and other comprehensive income
For the half-year ended 31 December 2023**

Condensed statements of profit and loss and other comprehensive income

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Investment Income					
Interest income		169	497	168	429
Dividend/distribution income		10,652	12,308	13,073	17,205
Net gains/(losses) on financial instruments at fair value through profit or loss	3	109,040	(12,684)	154,962	(20,586)
Other operating income		63	72	431	307
Total net investment income/(loss)		119,924	193	168,634	(2,645)
Expenses					
Management fees		4,312	4,725	5,010	6,245
Other operating expenses		136	149	236	294
Total operating expenses		4,448	4,874	5,246	6,539
Operating profit/(loss) for the half-year		115,476	(4,681)	163,388	(9,184)
Profit/(loss) for the half-year		115,476	(4,681)	163,388	(9,184)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		115,476	(4,681)	163,388	(9,184)

The above condensed statements of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes to the condensed financial reports.

Condensed statements of profit and loss and other comprehensive income
For the half-year ended 31 December 2023
(continued)

Condensed statements of profit and loss and other comprehensive income (continued)

	Notes	Emerging Companies Fund		ex-20 Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Investment Income					
Interest income		218	147	1,424	2,506
Dividend/distribution income		1,201	1,768	23,677	23,710
Net gains/(losses) on financial instruments at fair value through profit or loss	3	12,907	7,637	311,831	(149,409)
Other operating income		–	–	95	7
Total net investment income/(loss)		14,326	9,552	337,027	(123,186)
Expenses					
Management fees		576	563	13,796	16,074
Other operating expenses		24	23	336	287
Total operating expenses		600	586	14,132	16,361
Operating profit/(loss) for the half-year		13,726	8,966	322,895	(139,547)
Profit/(loss) for the half-year		13,726	8,966	322,895	(139,547)
Other comprehensive income		–	–	–	–
Total comprehensive income for the half-year		13,726	8,966	322,895	(139,547)

The above condensed statements of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes to the condensed financial reports.

Condensed statements of financial position
As at 31 December 2023

Condensed statements of financial position

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund	
		As at 31 December 2023 \$'000	30 June 2023 \$'000	As at 31 December 2023 \$'000	30 June 2023 \$'000
Assets					
Cash and cash equivalents		51,070	6,304	11,364	9,563
Receivables		651	1,400	878	854
Due from brokers - receivable for securities sold		–	1,398	–	3,737
Financial assets at fair value through profit or loss	6	899,081	920,787	1,208,172	1,207,955
Total assets		950,802	929,889	1,220,414	1,222,109
Liabilities					
Distributions payable		4,919	5,758	7,076	7,460
Due to brokers - payable for securities purchased		–	527	–	1,467
Payables		3,118	3,441	3,964	6,317
Total liabilities		8,037	9,726	11,040	15,244
Net assets attributable to unitholders - equity	5	942,765	920,163	1,209,374	1,206,865

The above condensed statements of financial position should be read in conjunction with the accompanying notes to the condensed financial reports.

Condensed statements of financial position (continued)

	Notes	Emerging Companies Fund		ex-20 Australian Equities Fund	
		As at		As at	
		31 December 2023	30 June 2023	31 December 2023	30 June 2023
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents		15,952	16,261	54,870	78,616
Receivables		147	31	1,143	4,568
Due from brokers - receivable for securities sold		-	-	-	22,057
Financial assets at fair value through profit or loss	6	90,006	76,566	2,842,753	2,969,834
Total assets		106,105	92,858	2,898,766	3,075,075
Liabilities					
Distributions payable		706	2,234	11,137	10,574
Due to brokers - payable for securities purchased		-	270	-	3,690
Payables		244	133	18,100	13,840
Total liabilities		950	2,637	29,237	28,104
Net assets attributable to unitholders - equity	5	105,155	90,221	2,869,529	3,046,971

The above condensed statements of financial position should be read in conjunction with the accompanying notes to the condensed financial reports.

**Condensed statements of changes in equity
For the half-year ended 31 December 2023**

Condensed statements of changes in equity

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Total equity at the beginning of the half-year		920,163	946,036	1,206,865	1,383,912
Comprehensive income for the half-year					
Profit/(loss) for the half-year		115,476	(4,681)	163,388	(9,184)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		115,476	(4,681)	163,388	(9,184)
Transactions with unitholders					
Applications	5	103,160	96,881	50,851	116,753
Redemptions	5	(191,115)	(118,835)	(204,654)	(156,517)
Units issued upon reinvestment of distributions	5	1,630	2,399	1,577	2,469
Distributions paid and payable	5	(6,549)	(9,371)	(8,653)	(14,734)
Total transactions with unitholders		(92,874)	(28,926)	(160,879)	(52,029)
Total equity at the end of the half-year		942,765	912,429	1,209,374	1,322,699

The above condensed statements of changes in equity should be read in conjunction with the accompanying notes to the condensed financial reports.

Condensed statements of changes in equity
For the half-year ended 31 December 2023
(continued)

Condensed statements of changes in equity (continued)

	Notes	Emerging Companies Fund		ex-20 Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Total equity at the beginning of the half-year		90,221	85,905	3,046,971	3,233,612
Comprehensive income for the half-year					
Profit/(loss) for the half-year		13,726	8,966	322,895	(139,547)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		13,726	8,966	322,895	(139,547)
Transactions with unitholders					
Applications	5	8,988	5,001	147,464	333,731
Redemptions	5	(7,074)	(7,674)	(636,664)	(373,070)
Units issued upon reinvestment of distributions	5	238	-	1,279	1,638
Distributions paid and payable	5	(944)	-	(12,416)	(14,413)
Total transactions with unitholders		1,208	(2,673)	(500,337)	(52,114)
Total equity at the end of the half-year		105,155	92,198	2,869,529	3,041,951

The above condensed statements of changes in equity should be read in conjunction with the accompanying notes to the condensed financial reports.

**Condensed statements of cash flows
For the half-year ended 31 December 2023**

Condensed statements of cash flows

	Australian Equities Fund		Concentrated Australian Equities Fund	
	Half-year ended 31 December 2023 \$'000	31 December 2022 \$'000	Half-year ended 31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	295,503	294,390	409,512	506,774
Purchase of financial instruments at fair value through profit or loss	(163,886)	(277,217)	(252,497)	(404,805)
Dividends/distributions received	10,855	13,803	13,236	19,847
Interest received	169	497	168	429
Other operating income received	63	72	431	307
GST received	10	34	18	64
Management fees paid	(4,362)	(4,757)	(5,080)	(6,305)
Other operating expenses paid	(103)	(180)	(129)	(225)
Net cash inflow/(outflow) from operating activities	138,249	26,642	165,659	116,086
Cash flows from financing activities				
Proceeds from applications by unitholders	103,696	97,827	50,646	116,591
Payments for redemptions by unitholders	(191,421)	(123,739)	(207,044)	(153,187)
Distributions paid	(5,758)	(30,782)	(7,460)	(61,700)
Net cash inflow/(outflow) from financing activities	(93,483)	(56,694)	(163,858)	(98,296)
Net increase/(decrease) in cash and cash equivalents	44,766	(30,052)	1,801	17,790
Cash and cash equivalents at the beginning of the half-year	6,304	55,818	9,563	21,469
Cash and cash equivalents at the end of the half-year	51,070	25,766	11,364	39,259
Non-cash financing and operating activities	1,630	2,399	1,577	2,469

The above condensed statements of cash flows should be read in conjunction with the accompanying notes to the condensed financial reports.

Condensed statements of cash flow
For the half-year ended 31 December 2023
(continued)

Condensed statements of cash flows (continued)

	Emerging Companies Fund		ex-20 Australian Equities Fund	
	Half-year ended 31 December 2023 \$'000	31 December 2022 \$'000	Half-year ended 31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	19,070	29,897	781,759	638,508
Purchase of financial instruments at fair value through profit or loss	(19,873)	(33,274)	(324,480)	(670,346)
Dividends/distributions received	1,201	1,768	26,118	30,429
Interest received	218	147	1,424	2,506
Other operating income received	–	–	95	7
GST received	–	5	70	72
Management fees paid	(569)	(559)	(14,076)	(16,185)
Other operating expenses paid	(12)	(22)	(199)	(315)
Net cash inflow/(outflow) from operating activities	35	(2,038)	470,711	(15,324)
Cash flows from financing activities				
Proceeds from applications by unitholders	8,872	4,992	148,378	335,067
Payments for redemptions by unitholders	(6,982)	(7,609)	(632,261)	(378,152)
Distributions paid	(2,234)	–	(10,574)	(70,081)
Net cash inflow/(outflow) from financing activities	(344)	(2,617)	(494,457)	(113,166)
Net increase/(decrease) in cash and cash equivalents	(309)	(4,655)	(23,746)	(128,490)
Cash and cash equivalents at the beginning of the half-year	16,261	14,188	78,616	330,552
Cash and cash equivalents at the end of the half-year	15,952	9,533	54,870	202,062
Non-cash financing and operating activities	238	–	1,279	1,638

The above condensed statements of cash flows should be read in conjunction with the accompanying notes to the condensed financial reports.

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1 General information

These condensed financial reports cover the following managed investment schemes (the "Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001*. The Funds may be terminated in accordance with the provisions of the Funds' Constitutions. The Funds are domiciled in Australia.

Fund name	Referred to in this document as	Date commenced operations
Bennelong Australian Equities Fund	Australian Equities Fund	30 January 2009
Bennelong Concentrated Australian Equities Fund	Concentrated Australian Equities Fund	30 January 2009
Bennelong Emerging Companies Fund	Emerging Companies Fund	1 November 2017
Bennelong ex-20 Australian Equities Fund	ex-20 Australian Equities Fund	2 November 2009

The Responsible Entity of the Funds 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 Investment Manager of the Funds is Bennelong Australian Equity Partners Pty Ltd.

The principal activity of each Fund during the half-year was the investment of unitholders' funds as per the objectives stated in the Funds' Product Disclosure Statement ("PDSs") and in accordance with the provisions in the Funds' Constitutions. There has been no significant change in the nature of these activities during the half-year.

The condensed financial reports of the Funds were authorised for issue by the directors on 13 March 2024.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed financial reports are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

(a) Basis of preparation

The half-year financial reports are general purpose financial reports prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year reports do not include notes of the type normally included in annual financial reports and should be read in conjunction with the most recent annual financial reports, as well as all public information on the Funds.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The condensed financial reports have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial reports are consistent with those adopted and disclosed in the Funds' annual financial reports for the year ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

There are no standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

(b) Rounding of amounts

The Funds are entities 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 condensed financial reports. Amounts in the condensed financial reports have been rounded off to the nearest thousand Australian dollar (AUD) in accordance with that Instrument, unless otherwise indicated.

(c) Single set of condensed financial reports

The Funds are entities of the kind referred to by *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

3 Net gains/(losses) on financial instruments at fair value through profit and loss

	Australian Equities Fund		Concentrated Australian Equities Fund	
	Half-year ended		Half-year ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial instruments				
Net realised gains/(losses) on financial instruments at fair value through profit or loss	20,893	(47,443)	27,217	(45,555)
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	88,147	34,759	127,745	24,969
Total net gains/(losses) on financial instruments at fair value through profit or loss	109,040	(12,684)	154,962	(20,586)

3 Net gains/(losses) on financial instruments at fair value through profit and loss (continued)

	Emerging Companies Fund		ex-20 Australian Equities Fund	
	Half-year ended		Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Financial instruments				
Net realised gains/(losses) on financial instruments at fair value through profit or loss	2,135	(1,653)	45,884	(51,643)
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	10,772	9,290	265,947	(97,766)
Total net gains/(losses) on financial instruments at fair value through profit or loss	12,907	7,637	311,831	(149,409)

4 Fair value measurements

(a) Fair value estimation

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

Financial assets and liabilities at fair value through profit and 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 and loss are measured at fair value with changes in their fair value recognised in the condensed statements of profit and loss and other 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 Funds rely on information provided by independent pricing services for the valuation of its investments.

The appropriate quoted market price for financial assets and liabilities is the last traded price. When the Funds hold derivatives with offsetting market risks, they use last traded prices as a basis for establishing fair values for the offsetting risk positions and apply 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.

4 Fair value measurements (continued)

(a) Fair value estimation (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

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.

(b) Fair value hierarchy

AASB 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making these 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 judgement 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 provided by independent sources that are actively involved in the relevant market.

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2023 and 30 June 2023.

Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2023	31 December 2023	31 December 2023	31 December 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	899,081	-	-	899,081	920,787	-	-	920,787
Total	899,081	-	-	899,081	920,787	-	-	920,787

4 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

Concentrated Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	1,208,172	–	–	1,208,172	1,207,955	–	–	1,207,955
Total	1,208,172	–	–	1,208,172	1,207,955	–	–	1,207,955

Emerging Companies Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	90,006	–	–	90,006	76,566	–	–	76,566
Total	90,006	–	–	90,006	76,566	–	–	76,566

ex-20 Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2023	2023	2023	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	2,842,753	–	–	2,842,753	2,969,834	–	–	2,969,834
Total	2,842,753	–	–	2,842,753	2,969,834	–	–	2,969,834

5 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 Funds classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. The Funds' puttable instruments meet the definition to be classified as equity.

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

	Australian Equities Fund				Concentrated Australian Equities Fund			
	31 December 2023 Units'000	31 December 2022 Units'000	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 Units'000	31 December 2022 Units'000	31 December 2023 \$'000	31 December 2022 \$'000
Balance as at 1 July	397,622	420,682	920,163	946,036	574,201	665,160	1,206,865	1,383,912
Applications	41,140	40,691	103,160	96,881	22,973	52,490	50,851	116,753
Redemptions	(78,527)	(50,497)	(191,115)	(118,835)	(92,572)	(71,913)	(204,654)	(156,517)
Units issued upon reinvestment of distributions	624	1,083	1,630	2,399	659	1,208	1,577	2,469
Distributions paid and payable	–	–	(6,549)	(9,371)	–	–	(8,653)	(14,734)
Profit/(loss) for the half-year	–	–	115,476	(4,681)	–	–	163,388	(9,184)
Closing balance as at 31 December	360,859	411,959	942,765	912,429	505,261	646,945	1,209,374	1,322,699

	Emerging Companies Fund				ex-20 Australian Equities Fund			
	31 December 2023 Units'000	31 December 2022 Units'000	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 Units'000	31 December 2022 Units'000	31 December 2023 \$'000	31 December 2022 \$'000
Balance as at 1 July	44,438	48,418	90,221	85,905	1,322,865	1,450,943	3,046,971	3,233,612
Applications	4,101	2,566	8,988	5,001	61,450	142,220	147,464	333,731
Redemptions	(3,297)	(3,952)	(7,074)	(7,674)	(265,070)	(161,204)	(636,664)	(373,070)
Units issued upon reinvestment of distributions	103	–	238	–	499	772	1,279	1,638
Distributions paid and payable	–	–	(944)	–	–	–	(12,416)	(14,413)
Profit/(loss) for the half-year	–	–	13,726	8,966	–	–	322,895	(139,547)
Closing balance as at 31 December	45,345	47,032	105,155	92,198	1,119,744	1,432,731	2,869,529	3,041,951

As stipulated within the Funds' Constitutions, each unit represents a right to an individual share in the Funds and do not extend to a right to the underlying assets of the Funds. Each unit has the same rights attaching to it as all other units of the Funds.

Capital risk management

The Funds consider their net assets attributable to unitholders as capital. Net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Investment Manager. Under the terms of the Funds' Constitutions, 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.

6 Financial assets at fair value through profit and loss

	Australian Equities Fund		Concentrated Australian Equities Fund	
	As at 31 December 2023 \$'000	30 June 2023 \$'000	As at 31 December 2023 \$'000	30 June 2023 \$'000
Financial assets at fair value through profit or loss				
Listed equity securities	899,081	920,787	1,208,172	1,207,955
Total financial assets at fair value through profit or loss	899,081	920,787	1,208,172	1,207,955

	Emerging Companies Fund		ex-20 Australian Equities Fund	
	As at 31 December 2023 \$'000	30 June 2023 \$'000	As at 31 December 2023 \$'000	30 June 2023 \$'000
Financial assets at fair value through profit or loss				
Listed equity securities	90,006	76,566	2,842,753	2,969,834
Total financial assets at fair value through profit or loss	90,006	76,566	2,842,753	2,969,834

7 Events occurring after the reporting date

No significant events have occurred since the reporting date which would impact on the financial positions of the Funds disclosed in the condensed statements of financial position as at 31 December 2023 or on the results and cash flows of the Funds for the half-year ended on that date.

8 Contingent assets, liabilities and commitments

In accordance with the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (NAV) of the Funds.

As at 31 December 2023, the Responsible Entity has incurred the following reimbursable expenses in excess of the amount charged to the Funds:

Funds	Half-year ended	
	31 December 2023	31 December 2022
	\$	\$
Australian Equities Fund	–	–
Concentrated Australian Equities Fund	–	–
Emerging Companies Fund	553,185	445,424
ex-20 Australian Equities Fund	–	–

These amounts represent expenses that have been incurred by the Responsible Entity on behalf of the Funds, for which the Responsible Entity is entitled, but has deferred reimbursement. Payment of this amount is contingent upon there being significant growth in the Funds' NAV, such that the payment will not result in expenses exceeding the amount set out in the Funds' PDSs at the date of payment, the timing of which cannot be reliably estimated at the reporting date.

The following table reflects the movements in deferred funds expenses for the half-year:

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund		ex-20 Australian Equities Fund	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance at 1 July	–	22,577	–	120,348	501,959	439,484	–	–
New expenses incurred	141,044	67,979	177,366	80,791	78,676	32,499	268,686	73,192
Expenses reimbursed during the half-year	(141,044)	(90,556)	(177,366)	(201,139)	(27,450)	(26,559)	(268,686)	(73,192)
Closing balance	–	–	–	–	553,185	445,424	–	–

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

Directors' declaration

The directors of the Responsible Entity declare in respect of the following Funds:

Bennelong Australian Equities Fund
Bennelong Concentrated Australian Equities Fund
Bennelong Emerging Companies Fund
Bennelong ex-20 Australian Equities Fund

- (a) in the directors' opinion, there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;
- (b) in the directors' opinion, the attached condensed financial reports are 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 condensed financial reports;
- (c) in the directors' opinion, the attached condensed financial reports and notes there to 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 Funds.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.



John Burke
Director
Sydney
13 March 2024

Independent Auditor's Review Report to the Unitholders of the BAEP Funds

Conclusion

We have reviewed the half-year condensed financial reports of Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund and Bennelong ex-20 Australian Equities Fund (collectively the "BAEP Funds" or the "Funds") which comprises the condensed statements of financial position as at 31 December 2023, the condensed statements of profit or loss and other comprehensive income, the condensed statements of cash flows and the condensed statements of changes in equity for the half-year then ended, and notes to the half-year condensed financial reports including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 7 to 24.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year condensed financial reports of the Funds do not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Funds' financial position as at 31 December 2023 and of their performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Condensed Financial Reports* section of our report. We are independent of the BAEP Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 annual 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 review report.

Directors' Responsibilities for the Half-year Condensed Financial Reports

The directors of the responsible entity ("the directors") are responsible for the preparation of the half-year condensed financial reports 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 determine is necessary to enable the preparation of the half-year condensed financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Condensed Financial Reports

Our responsibility is to express a conclusion on the half-year condensed financial reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year condensed financial reports is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial position as at 31 December 2023 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year condensed financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants
Melbourne, 13 March 2024