

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

Bennelong Twenty20 Australian Equities Fund
ARSN 608 998 223

Financial report
for the year ended 30 June 2021



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)

Bennelong Twenty20 Australian Equities Fund (ARSN 608 998 223)

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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 financial reports of the Funds for the year ended 30 June 2021.

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
Bennelong Twenty20 Australian Equities Fund	Twenty20 Australian Equities Fund	608 998 223

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 year.

There were no significant changes in the nature of the Funds' activities during the 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

*Citigroup Pty Limited was appointed Administrator and Custodian on 1 December 2020 following the retirement of RBC Investor Services Trust who acted as Administrator and Custodian from 1 July 2020 to 30 November 2020.

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:

Stephen Rix	Chairman until 30 June 2021
Michael Dwyer	Chairman from 1 July 2021 (appointed 1 December 2020)
Craig Bingham	
Vicki Allen	
Lincoln McMahon	
Andrea Waters	

Review and results of operations

During the year, the Funds invested monies in accordance with the investment policies set out in the Funds' PDSs and in accordance with the provisions of the Funds' Constitutions.

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		Emerging Companies Fund	
	Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	268,686	26,012	446,845	60,467	18,115	1,461
Interim distribution - 31 December	4,321	4,754	-	5,501	117	14
Full year distribution - 30 June	42,613	41,402	73,666	29,315	2,351	117
Interim distribution - 31 December cents per unit (CPU)	1.7767	2.0309	-	1.4456	0.4389	0.1069
Full year distribution - 30 June cents per unit (CPU)	14.2522	17.0371	12.9184	7.3563	6.4933	0.7171
			ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
			Year ended		Year ended	
			30 June 2021	30 June 2020	30 June 2021	30 June 2020
			\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders			1,156,326	188,750	4,102	(184)
Interim distribution - 31 December			825	17,048	99	78
Full year distribution - 30 June			186,025	214,806	647	69
Interim distribution - 31 December cents per unit (CPU)			0.0745	1.6328	1.4710	1.1933
Full year distribution - 30 June cents per unit (CPU)			15.2910	21.2436	7.6828	0.6373

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 year.

Directors' report (continued)

Matters subsequent to the end of the financial year

There has been no matter or circumstance since 30 June 2021 that has significantly affected, or may significantly affect:

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

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 governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

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.

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

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

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 12 to the financial reports.

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.

Directors' report (continued)

Deferred Fund Expenses (continued)

As at 30 June 2021, 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		Twenty20 Australian Equities Fund	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reimbursable expenses	6,159	172,696	327,924	687,639	287,120	211,280	–	–	498,453	413,632

Interests in the Funds

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

The value of the Funds' assets and liabilities is disclosed in the Statements of financial position and derived using the basis set out in note 2 to the financial reports.

Environmental regulation

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

COVID-19 Pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Funds' investment portfolios. In the current year, there is still some uncertainty around the impact of the COVID-19 vaccine and its roll out both in Australia and around the world, and the potential for further outbreaks.

The Responsible Entity and the Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' offer documents, applying valuation policies reflective of the prevailing market conditions.

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 financial reports and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.

Directors' report (continued)


Single set of 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 7.

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

A handwritten signature in black ink, appearing to read 'C Bingham', with a long horizontal line extending to the right.

Craig Bingham
Director

Melbourne
28 September 2021

28 September 2021

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

Dear Directors

Independence Declaration – Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund, Bennelong ex-20 Australian Equities Fund and Bennelong Twenty20 Australian Equities Fund (collectively “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, the Responsible Entity, regarding the annual financial reports for BAEP Funds.

As lead audit partner for the audit of the financial statements of BAEP Funds for the financial year ended 30 June 2021, 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 audits; and
- any applicable code of professional conduct in relation to the audits.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountant

**Statements of profit or loss and other comprehensive income
For the year ended 30 June 2021**

Statements of profit or loss and other comprehensive income

	Notes	Concentrated Australian Equities					
		Australian Equities Fund		Fund		Emerging Companies Fund	
		Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000
Investment Income							
Interest income		-	8	-	8	-	4
Dividend/distribution income		12,471	12,362	21,800	17,043	616	201
Net gains/(losses) on financial instruments at fair value through profit or loss	5	263,430	19,090	453,970	50,992	21,320	2,783
Other operating income		24	28	49	36	-	-
Total net investment income/(loss)		275,925	31,488	475,819	68,079	21,936	2,988
Expenses							
Management fees	12	6,876	5,202	11,035	7,189	654	251
Performance fees	12	-	-	17,287	-	3,139	1,266
Other operating expenses		363	274	652	423	28	10
Total operating expenses		7,239	5,476	28,974	7,612	3,821	1,527
Operating profit/(loss) for the year		268,686	26,012	446,845	60,467	18,115	1,461
Profit/(loss) for the year		268,686	26,012	446,845	60,467	18,115	1,461
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		268,686	26,012	446,845	60,467	18,115	1,461

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

Statements of profit or loss and other comprehensive income
For the year ended 30 June 2021
(continued)

Statements of profit or loss and other comprehensive Income (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000
Investment Income					
Interest income		–	28	–	–
Dividend/distribution income		52,333	46,301	313	264
Net gains/(losses) on financial instruments at fair value through profit or loss	5	1,221,543	167,000	4,062	(277)
Other operating income		475	156	–	–
Total net investment income/(loss)		1,274,351	213,485	4,375	(13)
Expenses					
Management fees	12	29,369	23,977	46	37
Performance fees	12	88,445	–	221	129
Other operating expenses		211	758	6	5
Total operating expenses		118,025	24,735	273	171
Operating profit/(loss) for the year		1,156,326	188,750	4,102	(184)
Profit/(loss) for the year		1,156,326	188,750	4,102	(184)
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,156,326	188,750	4,102	(184)

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

Statements of financial position
As at 30 June 2021

Statements of financial position

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
		As at		As at		As at	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets							
Cash and cash equivalents	8	24,875	6,334	62,643	6,498	2,512	187
Receivables	10	1,976	1,329	1,573	2,232	127	42
Due from brokers - receivable for securities sold		5,238	3,491	7,718	6,988	-	989
Financial assets at fair value through profit or loss	9	918,930	564,617	1,666,088	865,813	81,997	25,075
Total assets		951,019	575,771	1,738,022	881,531	84,636	26,293
Liabilities							
Distributions payable		32,233	22,957	61,869	22,727	1,636	67
Due to brokers - payable for securities purchased		-	7,811	4,802	7,482	-	1,083
Payables	11	1,728	1,894	2,470	2,685	766	94
Total liabilities		33,961	32,662	69,141	32,894	2,402	1,244
Net assets attributable to unitholders - equity	6	917,058	543,109	1,668,881	848,637	82,234	25,049

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

**Statements of financial position
As at 30 June 2021
(continued)**

Statements of financial position (continued)

		ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		As at		As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Assets	Notes				
Cash and cash equivalents	8	357,585	13,347	333	30
Receivables	10	7,712	7,817	98	40
Due from brokers - receivable for securities sold		-	5,471	-	204
Financial assets at fair value through profit or loss	9	3,625,450	2,443,828	14,704	13,921
Total assets		3,990,747	2,470,463	15,135	14,195
Liabilities					
Distributions payable		162,294	182,535	576	65
Due to brokers - payable for securities purchased		5,330	12,313	-	189
Payables	11	10,856	7,105	62	134
Total liabilities		178,480	201,953	638	388
Net assets attributable to unitholders - equity	6	3,812,267	2,268,510	14,497	13,807

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

**Statements of changes in equity
For the year ended 30 June 2021**

Statements of changes in equity

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
		Year ended		Year ended		Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Total equity at the beginning of the financial year	6	543,109	499,671	848,637	815,109	25,049	14,238
Comprehensive income for the financial year							
Profit/(loss) for the year		268,686	26,012	446,845	60,467	18,115	1,461
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		268,686	26,012	446,845	60,467	18,115	1,461
Transactions with unitholders							
Applications	6	388,664	124,693	588,328	208,018	47,070	16,989
Redemptions	6	(248,021)	(81,795)	(153,060)	(208,068)	(6,285)	(7,565)
Units issued upon reinvestment of distributions	6	11,554	20,684	11,797	7,927	753	57
Distributions paid and payable	6	(46,934)	(46,156)	(73,666)	(34,816)	(2,468)	(131)
Total transactions with unitholders		105,263	17,426	373,399	(26,939)	39,070	9,350
Total equity at the end of the financial year		917,058	543,109	1,668,881	848,637	82,234	25,049

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

**Statements of changes in equity
For the year ended 30 June 2021
(continued)**

Statements of changes in equity (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		Year ended		Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Total equity at the beginning of the financial year	6	2,268,510	2,563,115	13,807	6,342
Comprehensive income for the financial year					
Profit/(loss) for the year		1,156,326	188,750	4,102	(184)
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,156,326	188,750	4,102	(184)
Transactions with unitholders					
Applications	6	1,026,823	350,785	7,957	10,411
Redemptions	6	(476,396)	(637,168)	(10,704)	(2,627)
Units issued upon reinvestment of distributions	6	23,854	34,882	81	12
Distributions paid and payable	6	(186,850)	(231,854)	(746)	(147)
Total transactions with unitholders		387,431	(483,355)	(3,412)	7,649
Total equity at the end of the financial year		3,812,267	2,268,510	14,497	13,807

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

Statements of cash flows
For the year ended 30 June 2021

Statements of cash flows

	Notes	Concentrated Australian Equities Fund					
		Australian Equities Fund		Fund		Emerging Companies Fund	
		Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		531,983	373,986	688,863	674,780	39,773	17,584
Purchase of financial instruments at fair value through profit or loss		(632,424)	(413,757)	(1,038,578)	(671,420)	(75,469)	(26,938)
Dividends/distributions received		12,983	13,563	22,808	18,159	637	180
Interest received		-	8	-	8	-	4
Other operating income received		24	28	49	36	-	-
GST (paid)/received		56	(9)	67	8	(94)	6
Management fees paid		(6,633)	(5,114)	(10,503)	(7,100)	(598)	(239)
Performance fees paid		-	-	(17,287)	-	(2,522)	(1,435)
Other operating expenses paid		(360)	(224)	(622)	(349)	(25)	(8)
Net cash inflow/(outflow) from operating activities	13(a)	(94,371)	(31,519)	(355,203)	14,122	(38,298)	(10,846)
Cash flows from financing activities							
Proceeds from applications by unitholders		387,449	124,763	587,912	208,106	47,057	16,979
Payments for redemptions by unitholders		(248,433)	(81,062)	(153,837)	(208,875)	(6,289)	(7,504)
Distributions paid		(26,104)	(8,642)	(22,727)	(12,367)	(145)	(283)
Net cash inflow/(outflow) from financing activities		112,912	35,059	411,348	(13,136)	40,623	9,192
Net increase/(decrease) in cash and cash equivalents		18,541	3,540	56,145	986	2,325	(1,654)
Cash and cash equivalents at the beginning of the year		6,334	2,794	6,498	5,512	187	1,841
Cash and cash equivalents at the end of the year	8	24,875	6,334	62,643	6,498	2,512	187

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

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

Statements of cash flows
For the year ended 30 June 2021
(continued)

Statements of cash flows (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		1,380,008	1,666,650	13,147	4,997
Purchase of financial instruments at fair value through profit or loss		(1,341,599)	(1,335,499)	(9,853)	(12,920)
Dividends/distributions received		55,374	54,706	303	276
Interest received		–	28	–	–
Other operating income received		475	156	–	–
GST (paid)/received		221	63	4	(11)
Management fees paid		(28,411)	(23,963)	(46)	(34)
Performance fees paid		(88,445)	–	(321)	(29)
Other operating expenses paid		(584)	(539)	(7)	(3)
Net cash inflow/(outflow) from operating activities	13(a)	(22,961)	361,602	3,227	(7,724)
Cash flows from financing activities					
Proceeds from applications by unitholders		1,023,666	350,908	7,905	10,421
Payments for redemptions by unitholders		(473,230)	(641,379)	(10,675)	(2,602)
Distributions paid		(183,237)	(76,615)	(154)	(171)
Net cash inflow/(outflow) from financing activities		367,199	(367,086)	(2,924)	7,648
Net increase/(decrease) in cash and cash equivalents		344,238	(5,484)	303	(76)
Cash and cash equivalents at the beginning of the year		13,347	18,831	30	106
Cash and cash equivalents at the end of the year	8	357,585	13,347	333	30

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

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

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1 General information

These 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
Bennelong Twenty20 Australian Equities Fund	Twenty20 Australian Equities Fund	25 November 2015

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 financial reports are presented in the Australian currency.

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

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

Covid-19 Pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Funds' investment portfolios. In the current year, there is still some uncertainty around the impact of the COVID-19 vaccine and its roll out both in Australia and around the world, and the potential for further outbreaks.

The Responsible Entity and the Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' offer documents, applying valuation policies reflective of the prevailing market conditions.

The financial reports of the Funds were authorised for issue by the directors on 28 September 2021.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial reports have 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 Funds are for-profit entities for the purpose of preparing the financial reports.

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The Statements of financial positions are 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 reports of the Funds also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Changes in accounting estimates

The Funds have changed their valuation methodology relating to the following standard for the 30 June 2021 reporting period.

- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*.

As per AASB 13, if a financial asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

The Funds changed their valuation inputs for the reporting period 30 June 2021 for listed financial assets and liabilities to last traded prices to be consistent with the inputs used for the calculation of unit prices for applications and redemptions. The use of last traded prices meets the above AASB 13 criteria. In the prior year, the Funds utilised bid and ask prices for their listed financial assets and liabilities respectively. The change in valuation inputs is considered to be a change in accounting estimates.

The impact of this adjustment at the beginning of the current period were as below, which was recognised through the net gains/(losses) on financial instruments at fair value through profit or loss.

Net gains/(losses) in relation to the above adjustments	Amount
	\$
Australian Equities Fund	7,865,988
Concentrated Australian Equities Fund	9,296,654
Emerging Companies Fund	903,041
ex-20 Australian Equities Fund	25,950,381
Twenty20 Australian Equities Fund	160,642

(c) New accounting standards and interpretations

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.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the Statements 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 Funds' main income generating activity.

(e) 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 Funds 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 Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

(f) 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 Funds 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 Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

(g) Financial instruments

(i) Classification

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

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise 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 Funds have transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

2 Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Measurement

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statements of profit or loss and other 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 Statements 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 prices used for financial assets held by the Funds are the last traded prices and the quoted market prices used for financial liabilities are the last traded prices.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Funds recognise the difference in the Statements of comprehensive income to reflect a change in factors, including time that market participants would consider in setting a 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 Statements 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.

(h) Applications and redemptions

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

(i) Distributions

The Funds distribute their distributable income adjusted for amounts determined by the Responsible Entity in accordance with the Funds' Constitutions, to unitholders by cash or reinvestment.

(j) Payables

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

2 Summary of significant accounting policies (continued)

(k) 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 Funds' 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 Funds, and it is not a contract settled in the Funds' 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 Funds' units are classified as equity as they satisfied all the above criteria.

(l) Investment income

Interest income is recognised in the Statements of profit or loss and other comprehensive income using the accruals method. Dividend income is recognised on the ex dividend date with any related withholding tax recorded as an expense.

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

(m) Expenses

All expenses, including management fees, performance fees, administration fees and custodian fees, are recognised in the Statements of profit or loss and other comprehensive income on an accruals basis.

(n) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. The Funds' distributions are classified as distributions paid/payable in the Statements of changes in equity.

(o) Income tax

The Funds had elected into the Attribution Managed Investment Trusts rules, such that the determined trust components of the Funds 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 reports 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 reports.

Realised capital losses are not attributed to unitholders but instead are retained within the Funds to be offset against realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial reports. 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 significant accounting policies (continued)

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as investment management fees and custodial services has been passed on to the Funds. The Funds qualify 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 Statements of profit or loss and other 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 Statements of financial position. Cash flows relating to GST are included in the Statements of cash flows on a gross basis.

(q) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Funds' financial reports 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 Funds competes for funds and is regulated. The Australian dollar is also the Funds' 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 Statements of profit or loss and other comprehensive income.

The Funds do 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.

(r) Use of estimates

From time to time the Funds make 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 2021 there are no material estimates (30 June 2020: Nil).

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

3 Financial risk management

The Funds are exposed to credit risk, liquidity risk and market risk (including price risk and interest rate risk) arising from the financial instruments they hold. The Responsible Entity has outsourced the investment management for managing these risks to the Investment Manager who does so through a process of ongoing identification, measurement and monitoring.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Constitutions, the PDSs and the investment guidelines of the Funds. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance.

3 Financial risk management (continued)

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

Risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds 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 Funds, 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 Funds 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 Funds monitor their exposure to ensure concentrations of risk remain within acceptable levels and either reduce 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 Funds' investment activities are undertaken in accordance with established mandate limits and investment strategies.

(i) Price risk

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

The table at note 3(b) summarises the sensitivity of the Funds' assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Funds invest move by +/-10% (2020: +/-10%).

(ii) Foreign exchange risk

The Funds have the right to invest in non-AUD denominated listed equities, therefore exposing the Funds 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.

As at 30 June 2021, the foreign exchange risk was immaterial.

3 Financial risk management (continued)

(a) Market risk (continued)

(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 Funds to interest rate risk.

The tables below detail the Funds' exposure to interest rate into the relevant categories at the reporting date. The table at note 3(b) summarises the Funds' sensitivity to interest rate risk.

Australian Equities Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	24,875	–	–	24,875	6,334	–	–	6,334
Receivables	–	–	1,976	1,976	–	–	1,329	1,329
Due from brokers - receivables for securities sold	–	–	5,238	5,238	–	–	3,491	3,491
Financial assets at fair value through profit or loss	–	–	918,930	918,930	–	–	564,617	564,617
Total assets	24,875	–	926,144	951,019	6,334	–	569,437	575,771
Liabilities								
Distributions payable	–	–	32,233	32,233	–	–	22,957	22,957
Due to brokers - payable for securities purchased	–	–	–	–	–	–	7,811	7,811
Payables	–	–	1,728	1,728	–	–	1,894	1,894
Total liabilities	–	–	33,961	33,961	–	–	32,662	32,662
Net exposure	24,875	–	892,183	917,058	6,334	–	536,775	543,109

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

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Concentrated Australian Equities Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	62,643	–	–	62,643	6,498	–	–	6,498
Receivables	–	–	1,573	1,573	–	–	2,232	2,232
Due from brokers - receivables for securities sold	–	–	7,718	7,718	–	–	6,988	6,988
Financial assets at fair value through profit or loss	–	–	1,666,088	1,666,088	–	–	865,813	865,813
Total assets	62,643	–	1,675,379	1,738,022	6,498	–	875,033	881,531
Liabilities								
Distributions payable	–	–	61,869	61,869	–	–	22,727	22,727
Due to brokers - payable for securities purchased	–	–	4,802	4,802	–	–	7,482	7,482
Payables	–	–	2,470	2,470	–	–	2,685	2,685
Total liabilities	–	–	69,141	69,141	–	–	32,894	32,894
Net exposure	62,643	–	1,606,238	1,668,881	6,498	–	842,139	848,637

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

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Emerging Companies Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	2,512	–	–	2,512	187	–	–	187
Receivables	–	–	127	127	–	–	42	42
Due from brokers - receivables for securities sold	–	–	–	–	–	–	989	989
Financial assets at fair value through profit or loss	–	–	81,997	81,997	–	–	25,075	25,075
Total assets	2,512	–	82,124	84,636	187	–	26,106	26,293
Liabilities								
Distributions payable	–	–	1,636	1,636	–	–	67	67
Due to brokers - payable for securities purchased	–	–	–	–	–	–	1,083	1,083
Payables	–	–	766	766	–	–	94	94
Total liabilities	–	–	2,402	2,402	–	–	1,244	1,244
Net exposure	2,512	–	79,722	82,234	187	–	24,862	25,049

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

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

ex-20 Australian Equities Fund

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Assets								
Cash and cash equivalents	357,585	–	–	357,585	13,347	–	–	13,347
Receivables	–	–	7,712	7,712	–	–	7,817	7,817
Due from brokers - receivables for securities sold	–	–	–	–	–	–	5,471	5,471
Financial assets at fair value through profit or loss	–	–	3,625,450	3,625,450	–	–	2,443,828	2,443,828
Total assets	357,585	–	3,633,162	3,990,747	13,347	–	2,457,116	2,470,463
Liabilities								
Distributions payable	–	–	162,294	162,294	–	–	(182,535)	(182,535)
Due to brokers - payable for securities purchased	–	–	5,330	5,330	–	–	(12,313)	(12,313)
Payables	–	–	10,856	10,856	–	–	(7,105)	(7,105)
Total liabilities	–	–	178,480	178,480	–	–	(201,953)	(201,953)
Net exposure	357,585	–	3,454,682	3,812,267	13,347	–	2,255,163	2,268,510

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

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Twenty20 Australian Equities Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	333	–	–	333	30	–	–	30
Receivables	–	–	98	98	–	–	40	40
Due from brokers - receivables for securities sold	–	–	–	–	–	–	204	204
Financial assets at fair value through profit or loss	–	–	14,704	14,704	–	–	13,921	13,921
Total assets	333	–	14,802	15,135	30	–	14,165	14,195
Liabilities								
Distributions payable	–	–	576	576	–	–	65	65
Due to brokers - payable for securities purchased	–	–	–	–	–	–	189	189
Payables	–	–	62	62	–	–	134	134
Total liabilities	–	–	638	638	–	–	388	388
Net exposure	333	–	14,164	14,497	30	–	13,777	13,807

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

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds' operating profit and net assets attributable to unitholders to price risk and interest rate risk. The possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables should not be used to predict 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 2021. The interest rate risk variables relate to a weighted average percentage movement in cash and cash equivalents at 30 June 2021.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Price risk		Interest rate risk		Price risk		Interest rate risk	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
Australian Equities Fund	-10%	+10%	-1%	+1%	-10%	+10%	-1%	+1%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on operating profit/net assets attributable to unitholders	(91,893)	91,893	(249)	249	(56,462)	56,462	(63)	63

	Price risk		Interest rate risk		Price risk		Interest rate risk	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
Concentrated Australian Equities Fund	-10%	+10%	-1%	+1%	-10%	+10%	-1%	+1%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on operating profit/net assets attributable to unitholders	(166,609)	166,609	(626)	626	(86,581)	86,581	(65)	65

	Price risk		Interest rate risk		Price risk		Interest rate risk	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
Emerging Companies Fund	-10%	+10%	-1%	+1%	-10%	+10%	-1%	+1%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on operating profit/net assets attributable to unitholders	(8,200)	8,200	(25)	25	(2,508)	2,508	(2)	2

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Price risk		Interest rate risk		Price risk		Interest rate risk	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
ex-20 Australian Equities Fund	-10%	+10%	-1%	+1%	-10%	+10%	-1%	+1%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on operating profit/net assets attributable to unitholders	(362,545)	362,545	(3,576)	3,576	(244,383)	244,383	(133)	133

	Price risk		Interest rate risk		Price risk		Interest rate risk	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
Twenty20 Australian Equities Fund	-10%	+10%	-1%	+1%	-10%	+10%	-1%	+1%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on operating profit/net assets attributable to unitholders	(1,470)	1,470	(3)	3	(1,392)	1,392	–	–

3 Financial risk management (continued)

(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 Funds to incur a financial loss.

The Funds' 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 Statements 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 Funds do 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 Funds are exposed, arises from cash and cash equivalents and amounts due from brokers balances.

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

(d) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting their 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 Funds' investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Funds maintain sufficient cash and cash equivalents to meet normal operating requirements.

Financial liabilities of the Funds comprise trade and other payables, distributions payable and derivative instruments. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days of the obligation arising. Payment obligations in respect of derivative financial instruments arise and are met pursuant to their terms of issue.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

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

Australian Equities Fund

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Distributions payable	32,233	-	-	-	32,233	22,957	-	-	-	22,957
Due to brokers - payable for securities purchased	-	-	-	-	-	7,811	-	-	-	7,811
Payables	1,728	-	-	-	1,728	1,894	-	-	-	1,894
	33,961	-	-	-	33,961	32,662	-	-	-	32,662

Concentrated Australian Equities Fund

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Distributions payable	61,869	-	-	-	61,869	22,727	-	-	-	22,727
Due to brokers - payable for securities purchased	4,802	-	-	-	4,802	7,482	-	-	-	7,482
Payables	2,470	-	-	-	2,470	2,685	-	-	-	2,685
	69,141	-	-	-	69,141	32,894	-	-	-	32,894

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Emerging Companies Fund

	Less than 1	1-6 months	6-12 months	Over 12	Total	Less than 1	1-6 months	6-12 months	Over 12	Total
	month			months		months			month	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	1,636	-	-	-	1,636	67	-	-	-	67
Due to brokers - payable for securities purchased	-	-	-	-	-	1,083	-	-	-	1,083
Payables	766	-	-	-	766	94	-	-	-	94
	2,402	-	-	-	2,402	1,244	-	-	-	1,244

ex-20 Australian Equities Fund

	Less than 1	1-6 months	6-12 months	Over 12	Total	Less than 1	1-6 months	6-12 months	Over 12	Total
	month			months		months			month	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	162,294	-	-	-	162,294	182,535	-	-	-	182,535
Due to brokers - payable for securities purchased	5,330	-	-	-	5,330	12,313	-	-	-	12,313
Payables	10,856	-	-	-	10,856	7,105	-	-	-	7,105
	178,480	-	-	-	178,480	201,953	-	-	-	201,953

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Twenty20 Australian Equities Fund

	Less than 1	1-6 months	6-12 months	Over 12	Total	Less than 1	1-6 months	6-12 months	Over 12	Total
	month	months	months	months		month	months	months	months	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	576	-	-	-	576	65	-	-	-	65
Due to brokers - payable for securities purchased	-	-	-	-	-	189	-	-	-	189
Payables	62	-	-	-	62	134	-	-	-	134
	638	-	-	-	638	388	-	-	-	388

(e) 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 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 Statements of profit or loss and other comprehensive income.

(i) Fair value in an active market

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 quoted market price used for financial assets held by the Funds is the last traded price; the appropriate quoted market price for financial 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.

3 Financial risk management (continued)

(e) Fair value estimation (continued)

(i) 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 Funds 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 Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2021 and 30 June 2020.

Australian Equities Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit and loss:								
Listed equity securities	918,930	-	-	918,930	564,617	-	-	564,617
Total	918,930	-	-	918,930	564,617	-	-	564,617

Concentrated Australian Equities Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit and loss:								
Listed equity securities	1,666,088	-	-	1,666,088	865,813	-	-	865,813
Total	1,666,088	-	-	1,666,088	865,813	-	-	865,813

Emerging Companies Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit and loss:								
Listed equity securities	80,131	1,866	-	81,997	25,075	-	-	25,075
Total	80,131	1,866	-	81,997	25,075	-	-	25,075

3 Financial risk management (continued)

(f) Fair value hierarchy (continued)

ex-20 Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit and loss:								
Listed equity securities	3,625,450	–	–	3,625,450	2,443,828	–	–	2,443,828
Total	3,625,450	–	–	3,625,450	2,443,828	–	–	2,443,828

Twenty20 Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit and loss:								
Listed equity securities	14,704	–	–	14,704	13,921	–	–	13,921
Total	14,704	–	–	14,704	13,921	–	–	13,921

4 Auditor's remuneration

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

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$
Audit Services						
Deloitte Touche Tohmatsu						
Audit of the financial reports of the Funds*	10,556	10,400	10,556	9,400	10,556	10,400
Audit of the compliance plan of the Funds*	3,131	4,085	3,131	5,085	3,131	4,085
Review of the half-year financial reports of the Funds*	5,390	5,310	5,390	5,310	5,390	5,310
Total remuneration for audit services	19,077	19,795	19,077	19,795	19,077	19,795
Non-audit Services						
Agreed-upon procedures*	3,300	–	3,300	–	3,300	–
Total remuneration for non-audit services	3,300	–	3,300	–	3,300	–
Total remuneration for auditors	22,377	19,795	22,377	19,795	22,377	19,795
			ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
			Year ended		Year ended	
			30 June 2021	30 June 2020	30 June 2021	30 June 2020
			\$	\$	\$	\$
Audit Services						
Deloitte Touche Tohmatsu						
Audit of the financial reports of the Funds*			10,556	10,400	10,556	10,400
Audit of the compliance plan of the Funds*			3,131	4,085	3,131	4,085
Review of the half-year financial reports of the Funds*			5,390	5,310	–	–
Total remuneration for audit services			19,077	19,795	13,687	14,485
Non-audit Services						
Agreed-upon procedures*			3,300	–	3,300	–
Total remuneration for non-audit services			3,300	–	3,300	–
Total remuneration for auditors			22,377	19,795	16,987	14,485

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

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

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial instruments						
Net realised gains/(losses) on financial instruments at fair value through profit or loss	94,796	37,004	83,821	42,745	5,916	2,475
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	168,634	(17,914)	370,149	8,247	15,404	308
Total net gains/(losses) on financial instruments at fair value through profit or loss	263,430	19,090	453,970	50,992	21,320	2,783

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Financial instruments				
Net realised gains/(losses) on financial instruments at fair value through profit or loss	300,309	206,552	1,241	111
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	921,234	(39,552)	2,821	(388)
Total net gains/(losses) on financial instruments at fair value through profit or loss	1,221,543	167,000	4,062	(277)

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 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 year was as follows.

	Australian Equities Fund				Concentrated Australian Equities Fund			
	30 June 2021 Units'000	30 June 2020 Units'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 Units'000	30 June 2020 Units'000	30 June 2021 \$'000	30 June 2020 \$'000
Balance as at 1 July	251,429	223,805	543,109	499,671	401,593	398,589	848,637	815,109
Applications	139,684	54,561	388,664	124,693	227,309	95,790	588,328	208,018
Redemptions	(92,552)	(36,279)	(248,021)	(81,795)	(58,659)	(96,450)	(153,060)	(208,068)
Units issued upon reinvestment of distributions	3,850	9,342	11,554	20,684	4,060	3,664	11,797	7,927
Distributions paid and payable	–	–	(46,934)	(46,156)	–	–	(73,666)	(34,816)
Profit/(loss) for the year	–	–	268,686	26,012	–	–	446,845	60,467
Closing balance as at 30 June	302,411	251,429	917,058	543,109	574,303	401,593	1,668,881	848,637

	Emerging Companies Fund				ex-20 Australian Equities Fund			
	30 June 2021 Units'000	30 June 2020 Units'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 Units'000	30 June 2020 Units'000	30 June 2021 \$'000	30 June 2020 \$'000
Balance as at 1 July	16,298	10,524	25,049	14,238	1,025,578	1,131,879	2,268,510	2,563,115
Applications	22,997	10,592	47,070	16,989	366,482	147,739	1,026,823	350,785
Redemptions	(3,104)	(4,853)	(6,285)	(7,565)	(175,546)	(269,514)	(476,396)	(637,168)
Units issued upon reinvestment of distributions	336	35	753	57	7,664	15,474	23,854	34,882
Distributions paid and payable	–	–	(2,468)	(131)	–	–	(186,850)	(231,854)
Profit/(loss) for the year	–	–	18,115	1,461	–	–	1,156,326	188,750
Closing balance as at 30 June	36,527	16,298	82,234	25,049	1,224,178	1,025,578	3,812,267	2,268,510

6 Net assets attributable to unitholders (continued)

	Twenty20 Australian Equities Fund			
	30 June 2021 Units'000	30 June 2020 Units'000	30 June 2021 \$'000	30 June 2020 \$'000
Balance as at 1 July	10,853	4,924	13,807	6,342
Applications	5,002	7,933	7,957	10,411
Redemptions	(7,447)	(2,013)	(10,704)	(2,627)
Units issued upon reinvestment of distributions	48	9	81	12
Distributions paid and payable	-	-	(746)	(147)
Profit/(loss) for the year	-	-	4,102	(184)
Closing balance as at 30 June	8,456	10,853	14,497	13,807

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.

7 Distributions to unitholders

The distributions for the year were as follows:

	Australian Equities Fund			Concentrated Australian Equities Fund				
	Year ended			Year ended				
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions								
Distributions - December	4,321	1,7767	4,754	2,0309	-	-	5,501	1,4456
Distributions - June	42,613	14,2522	41,402	17,0371	73,666	12,9184	29,315	7,3563
	<u>46,934</u>		<u>46,156</u>		<u>73,666</u>		<u>34,816</u>	

7 Distributions to unitholders (continued)

	Emerging Companies Fund			ex-20 Australian Equities Fund				
	30 June 2021 \$'000	Year ended 30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2021 \$'000	Year ended 30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions								
Distributions - December	117	0.4389	14	0.1069	825	0.0745	17,048	1.6328
Distributions - June	2,351	6.4933	117	0.7171	186,025	15.2910	214,806	21.2436
	<u>2,468</u>		<u>131</u>		<u>186,850</u>		<u>231,854</u>	

	Twenty20 Australian Equities Fund			
	30 June 2021 \$'000	Year ended 30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions - December	99	1.4710	78	1.1933
Distributions - June	647	7.6828	69	0.6373
	<u>746</u>		<u>147</u>	

8 Cash and cash equivalents

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at 30 June 2021 \$'000	30 June 2020 \$'000	As at 30 June 2021 \$'000	30 June 2020 \$'000	As at 30 June 2021 \$'000	30 June 2020 \$'000
Cash at bank	24,875	6,334	62,643	6,498	2,512	187
These accounts are bearing floating interest rate	0% - 0.05%	0% - 0.34%	0% - 0.05%	0% - 0.34%	0% - 0.05%	0% - 0.34%

8 Cash and cash equivalents (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank	357,585	13,347	333	30
These accounts are bearing floating interest rate	0% - 0.05%	0% - 0.34%	0% - 0.05%	0% - 0.34%

Reconciliation to cash flow statement

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

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at		As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as above	24,875	6,334	62,643	6,498	2,512	187
Balance per Statements of cash flows	24,875	6,334	62,643	6,498	2,512	187

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Balance as above	357,585	13,347	333	30
Balance per Statements of cash flows	357,585	13,347	333	30

9 Financial assets at fair value through profit or loss

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at		As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets at fair value through profit or loss						
Listed equity securities	918,930	564,617	1,666,088	865,813	81,997	25,075
Total financial assets at fair value through profit or loss	918,930	564,617	1,666,088	865,813	81,997	25,075

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets at fair value through profit or loss				
Listed equity securities	3,625,450	2,443,828	14,704	13,921
Total financial assets at fair value through profit or loss	3,625,450	2,443,828	14,704	13,921

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

10 Receivables

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at		As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividend/distribution receivable	543	1,055	826	1,834	–	21
RITC receivable	62	118	98	165	105	11
Applications receivable	1,371	156	649	233	22	10
Total	1,976	1,329	1,573	2,232	127	42

10 Receivables (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividend/distribution receivable	3,372	6,413	38	28
RITC receivable	248	469	8	12
Applications receivable	4,092	935	52	–
Total	7,712	7,817	98	40

11 Payables

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at		As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Management fee payable	722	479	1,193	661	82	26
Performance fee payable	–	–	–	–	617	–
Other operating expenses payable	74	71	138	108	6	3
Redemptions payable	932	1,344	1,139	1,916	61	65
Total	1,728	1,894	2,470	2,685	766	94

11 Payables (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at 30 June 2021 \$'000	30 June 2020 \$'000	As at 30 June 2021 \$'000	30 June 2020 \$'000
Management fee payable	3,018	2,060	5	5
Performance fees payable	-	-	-	100
Other operating expenses payable	187	560	1	2
Redemptions payable	7,651	4,485	56	27
Total	10,856	7,105	62	134

12 Related party transactions

Responsible Entity

The Responsible Entity of the Funds 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:

Stephen Rix
Michael Dwyer
Craig Bingham
Vicki Allen
Lincoln McMahon
Andrea Waters

Chairman until 30 June 2021
Chairman from 1 July 2021 (appointed 1 December 2020)

Other key management personnel:

Jeff Phillips

Company Secretary

12 Related party transactions (continued)

Key management personnel compensation

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

Key management personnel loan disclosures

The Funds have 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.

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds 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 Funds' Constitutions and the current PDSs for the Funds, 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 Funds and the Responsible Entity were as follows:

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$
Management fees for the year	6,876,028	5,202,190	11,035,436	7,188,959	654,327	250,528
Performance fees expensed during the year	–	–	17,286,561	–	3,139,159	1,265,713
Aggregate amounts payable to the Responsible Entity at the reporting date	722,216	550,044	1,192,813	768,797	698,882	26,474

12 Related party transactions (continued)

Responsible Entity's/manager's fees and other transactions (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$
Management fees for the year	29,369,330	23,977,027	46,208	37,072
Performance fees expensed during the year	88,444,942	–	221,377	129,275
Aggregate amounts payable to the Responsible Entity at the reporting date	3,017,524	2,620,623	4,641	105,230

Key management personnel unitholdings

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

Australian Equities Fund

	Number of units held closing Units	Interest held %	Number of units acquired during the year Units	Number of units disposed during the year Units	Distributions paid/payable by the Fund during the year \$
30 June 2021					
Unitholders					
Elbowup Proprietary Limited ATF In the Vee Discretionary Trust	96,585	0.03	4,928	–	14,776
30 June 2020					
Unitholders					
Elbowup Proprietary Limited ATF In the Vee Discretionary Trust	91,657	0.04	7,320	–	16,202

12 Related party transactions (continued)

Key management personnel unitholdings (continued)

Concentrated Australian Equities Fund

	Number of units held closing Units	Interest held %	Number of units acquired during the year Units	Number of units disposed during the year Units	Distributions paid/payable by the Fund during the year \$
30 June 2021					
Unitholders					
Elbowup Proprietary Limited ATF In the Vee Discretionary Trust	126,250	0.02	5,374	–	15,615
Buzios Investments Proprietary Limited ATF Sky Investments a/c	407,612	0.07	17,349	–	50,416
Eagle Park Pty Ltd ATF Bingham Superannuation Fund	17,409	0.00	17,409	–	2,153
30 June 2020					
Unitholders					
Elbowup Proprietary Limited ATF In the Vee Discretionary Trust	120,876	0.03	4,750	–	10,275
Buzios Investments Proprietary Limited ATF Sky Investments a/c	390,263	0.10	207,566	–	30,394

Emerging Companies Fund

	Number of units held closing Units	Interest held %	Number of units acquired during the year Units	Number of units disposed during the year Units	Distributions paid/payable by the Fund during the year \$
30 June 2021					
Unitholders					
Bennelong Australian Equity Partners P/L	279,327	0.76	8,412	–	18,818
Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund	134,793	0.37	48,740	–	8,885
Eagle Park Pty Ltd ATF Bingham Superannuation Fund	22,430	0.06	22,430	–	1,416
30 June 2020					
Unitholders					
Bennelong Australian Equity Partners P/L	270,914	1.66	1,374	–	2,222
Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund	86,052	0.53	436	–	706

12 Related party transactions (continued)

Key management personnel unitholdings (continued)

ex-20 Australian Equities Fund

	Number of units held closing Units	Interest held %	Number of units acquired during the year Units	Number of units disposed during the year Units	Distributions paid/payable by the Fund during the year \$
30 June 2021					
Unitholders					
Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund	80,218	0.01	-	-	12,326
 30 June 2020					
Unitholders					
Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund	80,218	0.01	-	-	18,351

Twenty20 Australian Equities Fund

	Number of units held closing Units	Interest held %	Number of units acquired during the year Units	Number of units disposed during the year Units	Distributions paid/payable by the Fund during the year \$
30 June 2021					
Unitholders					
Bennelong Australian Equity Partners P/L	324,046	3.83	16,852	-	28,347
 30 June 2020					
Unitholders					
Bennelong Australian Equity Partners P/L	307,194	2.83	4,138	-	5,565

Investments

The Funds did not hold any investments in Bennelong Funds Management Ltd or its related parties during the year (2020: Nil).

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

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Operating profit for the year	268,686	26,012	446,845	60,467	18,115	1,461
Proceeds from sale of financial instruments at fair value through profit or loss	531,983	373,986	688,863	674,780	49,152	17,584
Purchase of financial instruments at fair value through profit or loss	(632,424)	(413,757)	(1,038,578)	(671,420)	(84,848)	(26,938)
Net (gains) on financial instruments at fair value through profit or loss	(263,430)	(19,090)	(453,970)	(50,992)	(21,320)	(2,783)
Net change in receivables excluding applications	568	1,192	1,075	1,124	(73)	(15)
Net change in payables excluding redemptions	246	138	562	163	676	(155)
Net cash inflow/(outflow) from operating activities	(94,371)	(31,519)	(355,203)	14,122	(38,298)	(10,846)
(b) Non-cash financing and investing activities						
During the year, the following distribution payments were satisfied by the issue of units in the Funds	11,554	20,684	11,797	7,927	753	57

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

	<u>ex-20 Australian Equities Fund</u>		<u>Twenty20 Australian Equities Fund</u>	
	Year ended 30 June 2021 \$'000	30 June 2020 \$'000	Year ended 30 June 2021 \$'000	30 June 2020 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Operating profit/(loss) for the year	1,156,326	188,750	4,102	(184)
Proceeds from sale of financial instruments at fair value through profit or loss	1,380,008	1,666,650	13,147	4,997
Purchase of financial instruments at fair value through profit or loss	(1,341,599)	(1,335,499)	(9,853)	(12,920)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,221,543)	(167,000)	(4,062)	277
Net change in receivables excluding applications	3,262	8,468	(6)	1
Net change in payables excluding redemptions	585	233	(101)	105
Net cash inflow/(outflow) from operating activities	(22,961)	361,602	3,227	(7,724)
(b) Non-cash financing and investing activities				
During the year, the following distribution payments were satisfied by the issue of units in the Funds	23,854	34,882	81	12

14 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 Statements of financial position as at 30 June 2021 or on the results and cash flows of the Funds for the year ended on that date.

15 Contingent assets and liabilities and commitments

In accordance with the Funds' Constitution, 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 30 June 2021, the Responsible Entity has incurred the following reimbursable expenses in excess of the amount charged to the Funds:

Funds	As at	
	30 June 2021	30 June 2020
	\$	\$
Australian Equities Fund	6,159	172,696
Concentrated Australian Equities Fund	327,924	687,639
Emerging Companies Fund	287,120	211,280
ex-20 Australian Equities Fund	-	-
Twenty20 Australian Equities Fund	498,453	413,632

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

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Year ended		Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$
Opening balance	172,696	206,052	687,639	790,227	211,280	114,129
New expenses for which payment has been deferred	178,119	188,299	237,109	242,534	98,450	105,295
Deferred expenses reimbursed during in the year	(344,656)	(221,655)	(596,824)	(345,122)	(22,610)	(8,144)
Closing balance	6,159	172,696	327,924	687,639	287,120	211,280

15 Contingent assets and liabilities and commitments (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$
Opening balance	-	-	413,632	318,542
New expenses for which payment has been deferred	532,400	541,100	91,066	98,339
Deferred expenses reimbursed during in the year	(532,400)	(541,100)	(6,245)	(3,249)
Closing balance	-	-	498,453	413,632

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
Bennelong Twenty20 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 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 financial report;
- (c) in the directors' opinion, the attached financial reports 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 Funds.

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



Craig Bingham
Director

Melbourne

28 September 2021

Independent Auditor's Report to the Unitholders of BAEP Funds

Opinion

We have audited the financial reports of Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund, Bennelong ex-20 Australian Equities Fund and Bennelong Twenty20 Australian Equities Fund (collectively "BAEP Funds" or the "Funds") which comprises the statements of financial position as at 30 June 2021, the statements of profit and loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial reports of the Funds is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Funds' financial position as at 30 June 2021 and of their 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 Funds 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 Directors' report for the year ended 30 June 2021, but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports 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 reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports 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 Reports

The directors are responsible for the preparation of the 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 financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of the Funds 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 Funds or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 reports.

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 reports, 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 Funds' 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 Funds' 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 reports 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 Funds' to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represents the underlying transactions and events in a manner that achieves fair presentation.

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

Adam Kuziow

Adam Kuziow
Partner
Chartered Accountants

Melbourne, 28 September 2021