Winton Global Alpha Fund

ARSN 124 282 971

Annual financial report - 30 June 2022

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Contents

This financial report covers Winton Global Alpha Fund as an individual entity.

The Responsible Entity of Winton Global Alpha Fund is Macquarie Investment Management Australia Limited (ABN 55 092 552 611). The Responsible Entity's registered office is No. 50 Martin Place, Sydney, NSW 2000.

Directors' Report
30 June 2022

The directors of Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"), a wholly owned subsidiary of Macquarie Group Limited and the Responsible Entity of Winton Global Alpha Fund, present their report together with the financial report of Winton Global Alpha Fund (the "Trust") for the financial year ended 30 June 2022.

Principal activities

The principal activity of the Trust is to invest in derivatives, unlisted investment vehicle and cash deposits in accordance with its Constitution.

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

Directors

The following persons held office as directors of MIMAL during the financial year ended 30 June 2022 or since the end of the financial year and up to the date of this report:

M Aubrey (appointed 01/10/2021)
C Berger
R Gohil (resigned 01/10/2021)
C Marull
G Stephens
B Terry

Review and results of operations

During the financial year, the Trust was managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with its Constitution.

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

	2022	2021
Profit for the year attributable to unitholders ($'000)	**80,025**	944
Distributions paid or payable ($'000)	**–**	–
Distribution per unit (in cents)	**–**	–

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

(i) the operations of the Trust in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Trust in future financial years.

Directors' Report
30 June 2022

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with its Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Trust. Under the Trust Constitution, the Responsible Entity of the Trust is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing its duties or exercising any of its powers in relation to the Trust.

Fees paid to and units held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Trust property during the financial year are disclosed in note 9 of the financial statements.

No fees were paid out of the Trust property to the directors of the Responsible Entity during the financial year (2021: Nil).

The number of units in the Trust held by the Responsible Entity, its directors or its associates as at the end of the financial year are disclosed in note 9 of the financial statements.

Units in the Trust

The movement in units of the Trust during the financial year is disclosed in note 5 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulations

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

Rounding of amounts

In accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191,* amounts in the directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

Directors' Report
30 June 2022

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 following this report.

This report is made in accordance with a resolution of the directors.

Director: ....
B Terry

Sydney

19 September 2022

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Auditor's independence declaration to the directors of Macquarie Investment Management Australia Limited

As lead auditor for the audit of the financial report of Winton Global Alpha Fund for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

R Da Silva

Rita Da Silva
Partner
19 September 2022

Statement of Comprehensive Income
For the Year Ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Income			
Interest income		**197**	676
Net gains on financial instruments held at fair value through profit or loss		**85,355**	20,557
Net foreign exchange gains/(losses)		**3,427**	(7,654)
Other operating income	9	**–**	47
Total income		**88,979**	13,626
Expenses			
Responsible Entity fees	9	**(5,166)**	(12,682)
Performance fees	9	**(3,788)**	–
Total expenses		**(8,954)**	(12,682)
Profit for the year attributable to unitholders	5	**80,025**	944
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year attributable to unitholders		**80,025**	944

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

Statement of Financial Position
As at 30 June 2022

	Notes	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents	6	**259,233**	372,719
Margin accounts		**29,496**	34,590
Due from brokers - receivable for securities sold		**2**	942
Other receivables		**275**	210
Financial assets held at fair value through profit or loss	7	**41,725**	40,947
Total assets		**330,731**	449,408
Liabilities			
Redemptions payable		**752**	1,435
Responsible Entity fees payable	9	**320**	549
Performance fees payable	9	**2,519**	–
Due to brokers - payable for securities purchased		**5**	–
Financial liabilities held at fair value through profit or loss	8	**3,614**	9,593
Total liabilities		**7,210**	11,577
Net assets attributable to unitholders - equity	5	**323,521**	437,831

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

Statement of Changes in Equity
For the Year Ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Total equity at the beginning of the year		**437,831**	1,266,177
Comprehensive income for the year			
Profit for the year	5	**80,025**	944
Other comprehensive income		**–**	–
Total comprehensive income for the year		**80,025**	944
Transactions with unitholders in their capacity as owners			
Applications	5	**23,644**	65,212
Redemptions	5	**(217,979)**	(894,502)
Total transactions with unitholders in their capacity as owners		**(194,335)**	(829,290)
Total equity at the end of the year	5	**323,521**	437,831

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

Statement of Cash Flows
For the Year Ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities:			
Proceeds related to financial instruments held at fair value through profit or loss		**96,408**	115,460
Payments related to financial instruments held at fair value through profit or loss		**(17,413)**	(146,068)
Net margin received		**5,094**	102,214
Interest received		**197**	676
Responsible Entity fees paid		**(5,460)**	(13,682)
Performance fees paid		**(1,269)**	–
Net cash inflow from operating activities	10(a)	**77,557**	58,600
Cash flows from financing activities:			
Proceeds from applications by unitholders		**23,644**	65,212
Payments for redemptions made to unitholders		**(218,662)**	(901,355)
Net cash outflow from financing activities		**(195,018)**	(836,143)
Net decrease in cash and cash equivalents		**(117,461)**	(777,543)
Cash and cash equivalents at the beginning of the year		**372,719**	1,157,848
Effects of foreign currency exchange rate changes on cash and cash equivalents		**3,975**	(7,586)
Cash and cash equivalents at the end of the year	6	**259,233**	372,719
Non-cash financing activities	10(b)	**–**	–

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the Year Ended 30 June 2022

1 General information

This financial report covers Winton Global Alpha Fund (the "Trust") as an individual entity. The Trust was constituted on 5 March 2007. The Trust is a registered managed investment scheme domiciled in Australia. The Trust did not have any employees during the financial years ended 30 June 2022 and 30 June 2021. The financial report of the Trust is presented in Australian dollars, which is also the functional currency of the Trust.

The Responsible Entity of the Trust is Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"). The Responsible Entity’s registered office is No. 50 Martin Place, Sydney, NSW 2000.

The Investment Manager for derivatives and unlisted investment vehicle held by the Trust is Winton Capital Management Limited, appointed to manage the Trust's investments on a discretionary basis, excluding cash investments.

The Investment Manager for cash deposits held by the Trust is Macquarie Investment Management Global Limited ("MIMGL"), appointed to manage the cash investments in excess of the margin requirements of the Trust.

For the period 1 July 2020 to 10 December 2020, the Trust invested directly in derivatives and cash deposits. In addition, from 11 December 2020, the Trust has gained indirect exposure to securities, derivatives and cash through its investment in Winton Access Fund 1 Limited.

The Trust Constitution allows the Attribution Managed Investment Trust ("AMIT") tax regime to apply to the Trust. The Trust met the AMIT eligibility criteria for the tax years ended 30 June 2022 and 30 June 2021. Consequently, the Responsible Entity is not contractually obligated to pay distributions to the unitholders and the units in the Trust are classified as equity (see note 2(c), note 2(i) and note 5).

The Trust will continue to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with its Constitution.

The financial statements of the Trust were authorised for issue by the directors on 19 September 2022. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated in this note.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* in Australia. The Trust is a for-profit trust for the purpose of preparing financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investment in financial assets and financial liabilities held at fair value through profit or loss.

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

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Coronavirus (COVID-19) impact

The Novel Coronavirus (COVID-19) has had significant impacts on global economies and equity, debt and commodity markets, led to several changes in the economy and resulted in several support actions by financial markets, governments and regulators. The impact of COVID-19 continues to evolve and, where applicable, has been incorporated into the determination of the Trust's results of operations and measurement of its assets and liabilities as at the reporting date.

The Trust's processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in its prior period financial statements. There has been no impact on the going concern ability of the Trust.

Considering the financial and economic impact of COVID-19 continues post the reporting date, it may impact future estimates and outcomes applied to the measuring of the Trust's assets and liabilities. Other than adjusting events, if any, that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

Changes to accounting standards and interpretations

There are no new accounting standards, amendments or interpretations that are effective for annual periods beginning on 1 July 2021 that have a material impact on the financial statements of the Trust. In addition, there are no other standards, amendments or interpretations issued but not yet effective as at 30 June 2022 that are expected to have a material impact on the Trust's financial statements.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Financial instruments

(i) Classification

The Trust manages its investments on a fair value basis. All other assets and liabilities are carried at amortised cost. These are classified as below:

- *Financial assets held at fair value through profit or loss ("FVTPL")*

  The Trust classifies its investments based on both the Trust's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Trust is primarily focussed on fair value information, and uses that information to assess the assets' performance and to make decisions in accordance with the Trust's documented investment strategy.

  The Trust holds investment in unlisted investment vehicle which are measured at fair value through profit or loss.

  In addition, the Trust holds derivatives such as futures, which are measured at fair value through profit or loss. The Trust does not designate any securities as hedges in a hedging relationship.

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(i) Classification (continued)

- *Financial assets held at amortised cost*

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that represent solely payment of principal and interest.

The Trust holds short-term receivables, such as margins placed on derivative contracts, amounts due from brokers and other receivables, at amortised cost.

- *Financial liabilities*

A financial liability is measured at FVTPL if it meets the definition of held for trading. Derivative contracts that have a negative fair value are also included in this category.

Financial liabilities, other than those measured at FVTPL, are measured at amortised cost. These include fees payable and other short-term payables.

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the investments has expired and the Trust has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities is discharged, cancelled or has expired.

(iii) Measurement

- *Financial instruments held at FVTPL*

Financial assets and financial liabilities held at FVTPL are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial instruments held at FVTPL are expensed immediately in the statement of comprehensive income.

Subsequent to initial recognition, all financial instruments held at FVTPL are measured at fair value, with changes in their fair value recognised as net gains or losses on financial instruments held at fair value through profit or loss in the statement of comprehensive income.

Fair value in an active market

The fair value of financial instruments traded in active markets is based on their quoted market prices as at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current ask prices.

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

- *Financial instruments held at FVTPL (continued)*

  Fair value in an inactive or unquoted market

  The fair value of financial instruments 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 reasonable estimate of the market prices.

  Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and discount rate at the reporting date applicable for an instrument with similar terms and conditions.

  For other pricing models, inputs are based on market data as at the reporting date. Fair values for unquoted equity investments are estimated, if possible, using applicable pricing/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

  Investments in unlisted investment vehicle are recorded at the redemption value per unit as reported by the manager of such entity.

Details on how the fair value of financial instruments is determined are disclosed in note 3(e).

- *Financial instruments held at amortised cost*

  Financial assets and liabilities, other than those classified as FVTPL, are initially measured at fair value adjusted by transaction costs and subsequently amortised using the effective interest rate ("EIR") method.

  The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in the statement of comprehensive income over the life of a financial asset or a financial liability. The EIR is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where applicable, to the net carrying amount of the financial asset or liability.

- *Impairment*

  The Expected Credit Loss ("ECL") requirements for the Trust apply to financial assets measured at amortised cost, such as margins placed on derivative contracts, amounts due from brokers and other receivables. The Trust applies a three-stage approach (Stage I - 12 month ECL, Stage II - Lifetime ECL not credit impaired and Stage III - Lifetime ECL credit impaired) to measure ECL based on changes in the financial asset’s underlying credit risk and includes forward-looking and macro-economic information. The 12 month ECL is the portion of lifetime ECL that results from default events that are possible within the 12 months after the reporting date. ECL is modelled as the product of the probability of default, the loss given default and the exposure at default.

(iv) Offsetting financial instruments

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

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option based on the redemption price, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) as at the reporting date if unitholders exercised their right to redeem their units.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain criteria are met. The Trust classifies the net assets attributable to unitholders as equity as it satisfies all of the following criteria:

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

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are considered as cash and cash equivalents. However, these are disclosed under liabilities on the statement of financial position.

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 Trust's main income generating activity.

(e) Margin accounts

Margin accounts comprise cash held with brokers for derivative transactions. The cash is only available to meet margin calls.

(f) Income

Interest income is recognised in the statement of comprehensive income using the EIR method for all financial instruments that are not held at fair value through profit or loss.

Gains or losses arising from changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in note 2(b).

(g) Expenses

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

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(h) Income tax

Under current legislation, the Trust is not subject to income tax as income of the Trust is attributed to the unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be attributed to unitholders so that the Trust is not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The Trust may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax, and withholding tax is recognised as an expense in the statement of comprehensive income.

The benefits of imputation credits and tax paid are generally passed on to unitholders.

(i) Distributions to unitholders

In accordance with the Trust Constitution, distributions to unitholders are determined by the Responsible Entity of the Trust. The Responsible Entity attributes the Trust's income to unitholders on a fair and reasonable basis, however, the Responsible Entity does not have a requirement under the Trust Constitution to distribute the Trust's income to unitholders. Distributions to unitholders in the form of cash or reinvestments, are recognised in the statement of changes in equity.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances

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

The Trust does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at FVTPL and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at FVTPL.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not delivered as at the reporting date.

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(l) Receivables

Receivables include assets and accrued income owing to the Trust which have not been received as at the reporting date and may include such items as interest and Reduced Input Tax Credits ("RITC").

Interest is accrued as at the reporting date from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the reporting date.

The amount payable to unitholders towards redemption of units as at the reporting date is recognised separately in the statement of financial position.

(n) Applications and redemptions

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

(o) Goods and Services Tax (“GST”)

Income, expenses and assets are recognised net of the amount of GST to the extent that the GST is recoverable from the Australian Taxation Office ("ATO"). Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are recognised inclusive of GST. GST recoverable from or payable to the ATO is recorded as receivables or payables in the statement of financial position.

Cash flows relating to GST, recoverable from, or payable to, the ATO are included as cash flows from operating activities and are disclosed in the statement of cash flows on a gross basis.

(p) Use of estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the 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.

For the majority of the Trust’s financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives and unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

For certain other financial instruments, including short-term receivables and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(q) Rounding of amounts

In accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, amounts in the directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

3 Financial risk management

(a) Strategy in using financial instruments

The Trust's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Responsible Entity's overall risk management programme focuses on ensuring compliance with the Trust's investment guidelines and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust uses derivatives and other instruments for trading purposes.

The Trust may use derivative financial instruments:

- to gain or reduce the Trust's exposure to a particular security or index; and
- to gain or reduce market exposure in the portfolio.

Derivatives may be used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

Financial risk management is monitored by the Responsible Entity's risk management department under policies approved by the Responsible Entity's senior managers or by the Board of Directors of the Responsible Entity.

The Responsible Entity reviews any identified high and medium severity exceptions to internal risk policies and procedures on a quarterly basis.

(b) Market risk

Market risk is the risk of changes in the value of the Trust's financial instruments from changes in market prices or volatility arising from price risk, foreign exchange risk and interest rate risk.

(i) Price risk

Price risk is the risk of changes in the value of the Trust's financial instruments from changes in market prices.

The Trust trades in financial instruments such as unlisted investment vehicles and exchange traded derivatives.

All securities investments present a risk of loss of capital. The Investment Manager manages this risk through a careful selection of securities and other financial instruments within specified limits. The Trust's positions are monitored on a daily basis by the Responsible Entity.

Price risk is managed by:

- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing; and

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

The Trust's unlisted investment vehicle and derivatives are susceptible to market price risk arising from uncertainties about future prices of the instruments.

At 30 June 2022, the Trust's market risk is affected by changes in market prices. As the Trust holds both long and short positions, an increase in exposure can have positive or negative impact to profit/net assets attributable to unitholders at any given time. If the exposure to the financial instruments at 30 June 2022 had increased, owing to a 10% market price movement and 0.25% interest rate movement, with all other variables held constant, this would have decreased profit/net assets attributable to unitholders by approximately $12,096,755 (2021: 10%/0.25%; increased by $31,054,688). Conversely, if the exposure to the financial instruments at 30 June 2022 had decreased, owing to a 10% market price movement and 0.25% interest rate movement, with all other variables held constant, this would have increased profit/net assets attributable to unitholders by approximately $12,096,755 (2021: 10%/0.25%; decreased by $31,054,688).

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Trust holds both monetary and non-monetary assets and liabilities denominated in currencies other than the Australian dollar both directly and indirectly through its investments in an underlying investment vehicle. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk.

The Trust uses currency derivatives to generate returns. However, foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

Concentration and monitoring of currency risk

Notwithstanding that investments in non-monetary items do not give rise to currency risk under the accounting standards, the Trust monitors its exposure to each currency on both monetary and non-monetary assets and liabilities as a percentage of net assets attributable to unitholders.

The table below summarises the Trust's monetary and non-monetary assets and liabilities denominated in Australian dollars and other currencies as a percentage of net assets attributable to unitholders.

	Monetary assets and liabilities as a % of net assets attributable to unitholders*		Total assets and liabilities as a % of net assets attributable to unitholders*	
	2022	**2021**	**2022**	**2021**
Currency				
AUD	**76%**	80%	**76%**	80%
USD	**12%**	12%	**24%**	19%
Other currencies	**–**	–	**–**	1%
Total			**100%**	100%

*The foreign currency exposure relating to monetary assets and liabilities as a percentage of net assets attributable to unitholders is shown as Nil in the table above where it is individually not material to the Trust (which is considered as less than 1% of net assets attributable to unitholders).

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

Foreign exchange risk on monetary assets and monetary liabilities is measured using sensitivity analysis. The following table summarises the sensitivity of the Trust to foreign exchange risk as at 30 June 2022 and 30 June 2021. The sensitivity of profit/(loss) for the financial year and the impact on net assets attributable to unitholders is the effect of a reasonably possible change in foreign exchange rates on monetary assets and liabilities held as at the reporting date. If exchange rates increased or decreased by 15% (2021: 15%), with all other variables remaining constant, the approximate movement in profit/net assets attributable to unitholders would amount to the following.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

	Foreign exchange risk	
	2022	**2021**
	USD +15%/-15% A$'000	**USD +15%/-15% A$'000**
Impact on profit/net assets attributable to unitholders	**6,074/(6,074)**	7,974/(7,974)

(iii) Interest rate risk

Interest rate risk is the risk of changes in the value of the Trust's financial instruments from changes in market interest rates.

The Trust's financial assets and financial liabilities are non-interest bearing with the exception of cash and cash equivalents. As a result, the Trust is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate risk is managed by only allowing investments into certain instrument types.

The table below demonstrates the sensitivity of the Trust's profit/(loss) for the financial year to a reasonably possible change in interest rates, with all other variables held constant. The sensitivity of the profit/(loss) for the financial year is the effect of the assumed changes in interest rates on net interest income for the financial year based on the floating rate financial assets as at the reporting date.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

	Change in basis points	Sensitivity of interest income
	Increase/ (decrease)	**Increase/ (decrease)**
		$'000
30 June 2022	**25/(25)**	**551/(551)**
30 June 2021	25/(25)	830/(830)

(c) Credit risk

Credit risk is the risk of a counterparty failing to complete its contractual obligations when they fall due, causing a financial loss to the Trust.

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(c) Credit risk (continued)

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/ recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk is managed by managing the Trust's exposures to deposit taking institutions.

The maximum exposure to credit risk as at the reporting date is the carrying amount of financial assets.

The counterparties for cash and cash equivalents and deposits with banks and other financial institutions have an investment grade credit rating (2021: investment grade credit rating) as determined by Standard and Poor's rating agency.

In accordance with the Trust's policy, the Responsible Entity's risk management department monitors the Trust's credit exposure on a daily basis.

(d) Liquidity risk

Liquidity risk is the risk that the Trust may encounter difficulty in meeting its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in unlisted investment vehicle that have daily unit pricing and can generally be readily disposed of.

The investments of the Trust may become illiquid. As a result, the Trust may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value, or at all, to meet its liquidity requirements. No such investments were held as at the reporting date.

Liquidity risk is managed by restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to defer or adjust the redemption of units if the exercise of such discretion is in the best interests of unitholders.

Derivative liabilities are generally settled in less than 3 months at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short-term at fair value. All other liabilities are payable within 30 days (2021: 30 days).

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation

The Responsible Entity classifies 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 judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables present those of the Trust's financial assets and financial liabilities (by class) which are measured at fair value.

30 June 2022	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
- Derivatives	**6,533**	**–**	**–**	**6,533**
- Unlisted investment vehicle	**–**	**35,192**	**–**	**35,192**
Total financial assets	**6,533**	**35,192**	**–**	**41,725**
Financial liabilities				
- Derivatives	**3,614**	**–**	**–**	**3,614**
Total financial liabilities	**3,614**	**–**	**–**	**3,614**

30 June 2021	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
- Derivatives	10,385	–	–	10,385
- Unlisted investment vehicle	–	30,562	–	30,562
Total financial assets	10,385	30,562	–	40,947
Financial liabilities				
- Derivatives	9,593	–	–	9,593
Total financial liabilities	9,593	–	–	9,593

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation (continued)

The carrying amounts of those of the Trust's financial assets and financial liabilities, which are not fair valued, approximated their fair values as at the reporting date. These include short-term receivables and payables, and are not presented in the tables above.

The fair value of publicly traded derivatives is based on quoted market prices or binding dealer price quotations as at the reporting date (bid price for long positions and ask price for short positions) and have therefore been classified as level 1 in the fair value hierarchy.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include unlisted investment vehicle valued at the redemption value per unit, as reported by the manager of such entity.

(f) Offsetting financial instruments

Financial assets and financial liabilities are presented net in the statement of financial position where the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

The Trust currently does not have a legally enforceable right to set off the recognised financial assets and financial liabilities amounts and there is no intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously. All financial instruments are currently reported on a gross basis in the statement of financial position.

4 Auditor's remuneration

During the financial year, the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Trust:

	2022 $	2021 $
Audit services		
Audit of financial reports	**9,554**	9,093
Other audit work under the *Corporations Act 2001*	**904**	743
Non-audit services		
Taxation compliance services	**1,080**	1,050
Total remuneration paid/payable	**11,538**	10,886

Audit fees are paid out of the Responsible Entity's own resources.

5 Net assets attributable to unitholders

As stipulated within the Trust Constitution, each unit represents an undivided share in the beneficial interest in the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

The Trust meets the criteria set out under AASB 132, hence the net assets attributable to unitholders is classified as equity (see note 2(c)).

Notes to the Financial Statements
For the Year Ended 30 June 2022

5 Net assets attributable to unitholders (continued)

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

	2022 No. '000	2021 No. '000	2022 $'000	2021 $'000
Opening balance	**416,440**	1,259,610	**437,831**	1,266,177
Applications	**20,751**	66,767	**23,644**	65,212
Redemptions	**(193,282)**	(909,937)	**(217,979)**	(894,502)
Profit for the year	**–**	–	**80,025**	944
Closing balance	**243,909**	416,440	**323,521**	437,831

Capital risk management

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

The Responsible Entity monitors the impact of applications and redemptions relative to the liquid assets in the Trust.

6 Cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank	**38,895**	40,621
Deposits at call	**220,338**	332,098
Total cash and cash equivalents	**259,233**	372,719

7 Financial assets held at fair value through profit or loss

	2022 Fair value $'000	2021 Fair value $'000
Derivatives		
Bill futures	**1,896**	5
Bond futures	**732**	120
Commodity futures	**1,644**	7,261
Foreign currency futures	**1,902**	2,624
Share price index futures	**359**	375
Total derivatives	**6,533**	10,385
Unlisted investment vehicle		
Unlisted investment vehicle	**35,192**	30,562
Total unlisted investment vehicle	**35,192**	30,562
Total financial assets held at fair value through profit or loss	**41,725**	40,947

An overview of the risk exposures relating to financial assets at FVTPL is included in note 3.

Notes to the Financial Statements
For the Year Ended 30 June 2022

8 Financial liabilities held at fair value through profit or loss

	2022 Fair value $'000	2021 Fair value $'000
Derivatives		
Bill futures	**64**	1,395
Bond futures	**108**	763
Commodity futures	**2,071**	214
Foreign currency futures	**992**	6,128
Share price index futures	**379**	1,093
Total derivatives	**3,614**	9,593
Total financial liabilities held at fair value through profit or loss	**3,614**	9,593

An overview of the risk exposures relating to financial liabilities at FVTPL is included in note 3.

9 Related party disclosures

(a) Responsible Entity

The Responsible Entity of the Trust is MIMAL, a wholly owned subsidiary of Macquarie Group Limited ("MGL").

(b) Investment Manager for cash deposits

The Investment Manager for cash deposits held by the Trust is MIMGL, a wholly owned subsidiary of MGL, appointed to manage the cash investments in excess of the margin requirements of the Trust.

(c) Key management personnel

Key management personnel services are provided by MIMAL. The following persons held office as directors of MIMAL during the financial years ended 30 June 2022 and 30 June 2021, unless indicated otherwise:

M Aubrey (appointed 01/10/2021)
C Berger
R Gohil (resigned 01/10/2021)
C Marull
G Stephens
B Terry

No amount is paid by the Trust directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Trust to the directors as key management personnel.

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(d) Key management personnel unitholdings

Key management personnel and their close family members held units in the Trust as follows:

30 June 2022 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust $
M Aubrey*	**35,089**	**35,089**	**0.01**	**–**	**–**	**–**

30 June 2021 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust $
B Terry and M Terry	355,072	–	–	–	355,072	–
C Berger	34,840	–	–	12,219	47,059	–

*On 1 October 2021, M Aubrey was appointed as a director on the MIMAL board and from that date became part of the key management personnel of the Trust. Consequently, the opening unitholdings represent units held on 1 October 2021.

(e) Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the financial year (2021: Nil).

(f) Responsible Entity fees and other transactions

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.78% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 1 July 2020 to 30 September 2020. For the financial period from 1 October 2020 to 30 June 2022, the total fee has been reduced to 1.48% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

Until 30 September 2020, performance fee is charged up to 16.40% (inclusive of GST, net of RITC available to the Trust) of the dollar value of net profit (if any) from the futures trading, provided that any carried forward losses from futures trading have been made up. The fee is accrued daily and payable quarterly. Effective 1 October 2020, performance fee is charged up to 10.25% (inclusive of GST, net of RITC available to the Trust) to the Trust.

The proportion of the GST on the fees that can be recovered by the Trust as RITCs or otherwise varies. The fee paid by the Trust will equal the rate disclosed in the Trust's offer document (inclusive of GST, net of RITCs) regardless of the rate of GST recovery in any period.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(f) Responsible Entity fees and other transactions (continued)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the financial year and amounts payable as at the reporting date between the Trust and the Responsible Entity were as follows:

	2022 $	2021 $
Management fees charged to the Trust by the Responsible Entity	**(5,165,741)**	(12,682,243)
Performance fees charged to the Trust by the Responsible Entity	**(3,788,367)**	–
Amount in relation to variance in rate of GST recovery recognised in the statement of comprehensive income as other income	**–**	47,067
Management fees payable by the Trust to the Responsible Entity as at the reporting date*	**319,693**	549,238
Performance fees payable by the Trust to the Responsible Entity as at the reporting date	**2,518,807**	–

*The management fee payable as at 30 June 2021 was disclosed net of $47,067 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years.

(g) Related party unitholdings

Parties related to the Trust (including MIMAL, its affiliates and other schemes managed by MIMAL or other wholly owned subsidiaries of MGL) held units in the Trust as follows:

30 June 2022 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust $
Macquarie Professional Series Global Alternatives Fund	**17,401,041**	**–**	**–**	**758,911**	**18,159,952**	**–**

30 June 2021 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust $
Macquarie Bank Limited	245,158	–	–	–	245,158	–
Macquarie Professional Series Global Alternatives Fund	24,730,061	17,401,041	4.18	2,775,580	10,104,600	–

There are no distributions payable to the above related party as at 30 June 2022 (2021: Nil).

There are no redemptions payable to the above related party as at 30 June 2022 (2021: $30,000).

(h) Investments

The Trust held no investments in any scheme which is also managed by MIMAL or other wholly owned subsidiaries of MGL (2021: Nil).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(i) Other transactions within the Trust

From time to time, the Trust may purchase or sell securities from/to other schemes managed by the Responsible Entity or its affiliates at the prevailing market rates.

No directors of the Responsible Entity have entered into a material contract with the Trust in the current or previous financial year and there were no material contracts involving directors' interests subsisting at 30 June 2022 or 30 June 2021.

The Trust holds a bank account with Macquarie Bank Limited ("MBL"), a wholly owned subsidiary of MGL. The Trust may use MBL or other wholly owned subsidiaries of MGL for broking and clearing services. Fees and expenses are negotiated on an arm's length basis for all transactions with related parties.

10 Reconciliation of profit for the year to net cash inflow from operating activities

(a) Reconciliation of profit for the year to net cash inflow from operating activities

	2022 $'000	2021 $'000
Profit for the year	**80,025**	944
Movement in margin accounts	**5,094**	102,214
Movement in amounts due from brokers	**940**	(930)
Movement in other receivables	**(65)**	310
Movement in Responsible Entity fees payable	**(229)**	(1,357)
Movement in performance fees payable	**2,519**	–
Movement in amounts due to brokers	**5**	(6,900)
Movement in financial instruments held at fair value through profit or loss	**(6,757)**	(43,267)
Effects of foreign currency exchange rate changes on cash and cash equivalents	**(3,975)**	7,586
Net cash inflow from operating activities	**77,557**	58,600

(b) Non-cash financing activities

The Trust did not engage in any non-cash financing activities during the financial year (2021: Nil).

11 Events occurring after the reporting date

No significant events have occurred since the reporting date which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2022 or on the results and cash flows of the Trust for the financial year ended on that date.

12 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2022 and 30 June 2021.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes as set out on pages 5 to 26 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards; and

  (ii) giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards (see note 2(a)).

This declaration is made in accordance with a resolution of the directors.

Director: ....
B Terry

Sydney

19 September 2022

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Independent auditor's report to the unitholders of Winton Global Alpha Fund

Opinion

We have audited the financial report of Winton Global Alpha Fund ("the Trust"), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

b. 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 Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report thereon

The directors of Macquarie Investment Management Australia Limited ("the Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Ernst & Young

Rita Da Silva
Partner
Sydney
19 September 2022