

# **Epoch Global Equity Shareholder Yield (Unhedged) Fund**

ARSN 130 358 691

**Annual report**

**For the year ended 30 June 2024**

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## Annual report For the year ended 30 June 2024

### Contents

	Page
Directors' report	1
Auditor's independence declaration	4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	29
Independent auditor's report to the unitholders of Epoch Global Equity Shareholder Yield (Unhedged) Fund	30

These financial statements cover Epoch Global Equity Shareholder Yield (Unhedged) Fund as an individual entity.

The Responsible Entity of Epoch Global Equity Shareholder Yield (Unhedged) Fund is GSFM Responsible Entity Services Limited (ABN 48 129 256 104).

The Responsible Entity's registered office is Level 1, 275 George Street, Sydney NSW 2000.

## Directors' report

The directors of GSFM Responsible Entity Services Limited (the "Responsible Entity"), the Responsible Entity of Epoch Global Equity Shareholder Yield (Unhedged) Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Principal activities

The Fund continued to invest funds in accordance with the provisions of the Fund Constitution.

The Fund did not have any employees during the year.

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

### Directors

The following persons held office as directors of GSFM Responsible Entity Services Limited during the year or since the end of the year and up to the date of this report:

Robert Niven Johanson

Andrew Duncan McKinnon

Damien Henry McIntyre

Edward Douglas Kelterborn

Keri Bush (resigned 8 December 2023)

William Chinkiwsky (appointed 22 May 2024)

### Review and results of operations

The Fund invests in Australian equity securities, international equity securities, derivatives, listed unit trusts and cash and cash equivalents. The investment policy of the Fund continues to be in accordance with the provisions of the Fund Constitution.

### Results

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

	<b>Year ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
Profit before finance costs attributable to unitholders (\$'000)	<u><b>133,743</b></u>	<u>131,252</u>
<i>Distributions- Class A</i>		
Distributions paid and payable (\$'000)	<u><b>82,790</b></u>	<u>54,574</u>
Distributions (cents per unit)	<u><b>11.20</b></u>	<u>11.84</u>
<i>Distributions- Class B</i>		
Distributions paid and payable (\$'000)	<u><b>9,684</b></u>	<u>4,830</u>
Distributions (cents per unit)	<u><b>9.88</b></u>	<u>5.90</u>

### Significant changes in state of affairs

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

## **Directors' report (continued)**

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

No matter or circumstance has arisen since 30 June 2024 that have significantly affected, or may significantly affect:

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

### **Likely developments and expected results of operations**

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

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

### **Indemnity and insurance of officers and auditors**

No insurance premiums were paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of GSFM Responsible Entity Services Limited or the auditors of the Fund. So long as the officers of GSFM Responsible Entity Services Limited act in accordance with the Fund Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

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

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

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

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

### **Interests in the Fund**

The movements in units on issue in the Fund during the year are disclosed in Note 10 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Balance sheet and derived using the basis set out in Note 2 of the financial statements.

### **Environmental regulation**

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

### **Rounding of amounts to the nearest thousand dollars**

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

## Directors' report (continued)

### Auditor's independence declaration

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

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

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

Andrew Duncan McKinnon  
Director

Sydney  
25 September 2024



## Auditor's Independence Declaration

As lead auditor for the audit of Epoch Global Equity Shareholder Yield (Unhedged) Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in blue ink, reading 'Klynton Hankin'.

Klynton Hankin  
Partner  
PricewaterhouseCoopers

Sydney  
25 September 2024

Epoch Global Equity Shareholder Yield (Unhedged) Fund  
Statement of comprehensive income  
For the year ended 30 June 2024

**Statement of comprehensive income**

		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
	Note		
<b>Investment income</b>			
Interest income		130	77
Dividend income		33,756	31,841
Distribution income		1,716	2,258
Net gains on financial instruments at fair value through profit or loss		111,912	111,538
Other operating income		373	104
<b>Total net investment income</b>		<b>147,887</b>	<b>145,818</b>
<b>Expenses</b>			
Responsible Entity's fees	15	13,731	13,839
Transaction costs		410	726
Other operating expenses		3	1
<b>Total operating expenses</b>		<b>14,144</b>	<b>14,566</b>
<b>Operating profit</b>		<b>133,743</b>	<b>131,252</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	11	(92,474)	(59,404)
Increase in net assets attributable to unitholders		(41,269)	(71,848)
<b>Profit for the year</b>		<b>—</b>	<b>—</b>
Other comprehensive income for the year		—	—
<b>Total comprehensive income for the year</b>		<b>—</b>	<b>—</b>

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

Epoch Global Equity Shareholder Yield (Unhedged) Fund  
Balance sheet  
As at 30 June 2024

**Balance sheet**

		As at	
		30 June 2024	30 June 2023
	Note	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents	12	9,924	15,633
Receivables		8,825	8,804
Accrued income		2,224	2,293
Due from brokers - receivable for securities sold		–	8,094
Financial assets at fair value through profit or loss	6	<u>1,111,078</u>	<u>1,139,554</u>
<b>Total assets</b>		<u><b>1,132,051</b></u>	<u><b>1,174,378</b></u>
<b>Liabilities</b>			
Bank overdraft	12	35	27
Distribution payable	11	61,125	35,642
Payables		4,006	3,842
Due to brokers - payable for securities purchased		–	1,825
Financial liabilities at fair value through profit or loss	7	<u>–</u>	<u>5</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>65,166</b></u>	<u><b>41,341</b></u>
<b>Net assets attributable to unitholders - Liability</b>		<u><b>1,066,885</b></u>	<u><b>1,133,037</b></u>

*The above Balance sheet should be read in conjunction with the accompanying notes.*



Epoch Global Equity Shareholder Yield (Unhedged) Fund  
Statement of changes in equity  
For the year ended 30 June 2024

**Statement of changes in equity**

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Note		
<b>Total equity at the beginning of the financial year</b>	—	—
Profit/(loss) for the year	—	—
Other comprehensive income for the year	—	—
<b>Total comprehensive income for the year</b>	—	—
Transactions with owners in their capacity as owners	—	—
<b>Total equity at the end of the financial year</b>	<u>—</u>	<u>—</u>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

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

Epoch Global Equity Shareholder Yield (Unhedged) Fund  
Statement of cash flows  
For the year ended 30 June 2024

**Statement of cash flows**

		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
	Note		
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		318,909	450,020
Purchase of financial instruments at fair value through profit or loss		(171,800)	(315,326)
Transaction costs		(410)	(726)
Dividends received		33,052	32,412
Distributions received		1,829	2,321
Interest received		130	77
Other income received		376	133
Responsible Entity's fees paid		(13,751)	(13,895)
Payment of other expenses		(2)	(1)
<b>Net cash inflow from operating activities</b>	13(a)	<u>168,333</u>	<u>155,015</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		185,822	242,773
Payments for redemptions by unitholders		(315,716)	(312,381)
Distributions paid from operating activities		(44,507)	(81,302)
<b>Net cash outflow from financing activities</b>		<u>(174,401)</u>	<u>(150,910)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(6,068)	4,105
Cash and cash equivalents at the beginning of the year		15,606	11,252
Effects of foreign currency exchange rate changes on cash and cash equivalents		351	249
<b>Cash and cash equivalents at the end of the year</b>	12	<u>9,889</u>	<u>15,606</u>
Non-cash financing activities	13(b)	<u>22,485</u>	<u>15,619</u>

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

## **1 General information**

These financial statements cover Epoch Global Equity Shareholder Yield (Unhedged) Fund (the "Fund") as a registered managed investment scheme. The Fund was constituted on 14 March 2008. The Fund will terminate on 14 March 2088 unless terminated earlier in accordance with the provisions of the Fund Constitution.

The Responsible Entity of the Fund is GSFM Responsible Entity Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 275 George Street, Sydney NSW 2000. The financial statements are presented in Australian dollars.

The Fund invests in derivatives, equity securities, listed unit trusts and cash and cash equivalents. The investment policy of the Fund continues to be in accordance with the provisions of the Fund Constitution.

The financial statements were authorised for issue by the directors on 25 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of material accounting policies**

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

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

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

The balance sheet 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 material balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, all material balances are expected to be recovered or settled within 12 months, except for investments in financial assets where the amount expected to be recovered or settled within 12 months after the end of each reporting year cannot be reliably determined.

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

#### *(i) Compliance with IFRS Accounting Standards*

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

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

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

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

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### *(iii) New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

## 2 Summary of material accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments primarily on a fair value basis, with the supporting use of other related information.

For listed unit trusts, equity securities, and derivatives, the contractual cash flows held by the fund are not solely principal and interest. Consequently, these investments are measured at fair value through profit or loss.

#### (ii) Recognition / derecognition

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

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

#### (iii) Measurement

##### *Financial assets and liabilities at fair value through profit or loss*

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

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

For further details on how the fair values of financial instruments are determined please see Note 5 to the financial statements.

#### (iv) Offsetting financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet 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. Refer to Note 4 to the financial statements for further information.

### (c) Net assets attributable to unitholders

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

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

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

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

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

The Fund classifies its financial instruments as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Fund classifies the net assets attributable to unit holders as liabilities as they do not satisfy all the above criteria.

## **2 Summary of material accounting policies (continued)**

### **(d) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 90 days or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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

### **(e) Margin accounts**

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

### **(f) Investment income**

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income and distribution income when the Fund's right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) of the financial statements.

### **(g) Expenses**

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

### **(h) Income tax**

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

### **(i) Distributions**

Distributions are payable as set out in the Fund's product disclosure statement. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

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

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

### **(k) Foreign currency translation**

#### *(i) Functional and presentation currency*

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

## 2 Summary of material accounting policies (continued)

### (k) Foreign currency translation (continued)

#### (ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within gains/(losses) on financial instruments at fair value through profit or loss.

### (l) Due to/from 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

### (m) Receivables and accrued income

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting year from the time of last payment in accordance with the policy set out in Note 2(f). Amounts are generally received within 30 days of being recorded as receivables.

### (n) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting year.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting year where this amount remains unpaid as at the end of the reporting year.

### (o) Applications and redemptions

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

### (p) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% or 75%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (q) Comparative revisions

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

## 2 Summary of material accounting policies (continued)

### (r) Use of estimates

The Fund 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 Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over the counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For more information on how fair value is calculated please see Note 5 to the financial statements.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to short term nature of these financial instruments.

### (s) Rounding of amounts

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

## 3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund uses derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the investment manager appointed by the Responsible Entity, under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Fund uses different methods to measure different types of risks to which the Fund is exposed. Rating analysis and maturity analysis is used for credit risk and liquidity risk respectively. Sensitivity analysis is used for price risk, foreign exchange risk and interest rate risk. The Responsible Entity considers that regressing the Fund's returns against chosen benchmarks provides a reasonable and objective assessment of the Fund's risk determinants. The results of the regression analysis are based on historical correlations between the Fund's returns and chosen benchmarks and may not be reflective of future market price movements and market conditions which may bear no relation to historical patterns.

### (a) Market risk

#### (i) Price risk

The Fund is exposed to equity securities and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. The foreign exchange risk relating to non monetary assets and liabilities is a component of price risk and reflected in the price risk analysis below.

Investments are classified in the balance sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments as at 30 June 2024 and 30 June 2023.

The Fund Manager mitigates price risk through diversification and a careful selection of securities and other financial instruments specified within the Fund's Investment Guidelines. Compliance with the Fund's Product Disclosure Statement and Investment Guidelines are monitored daily, with any breaches recorded on a breach register and reported to the Compliance Committee on a quarterly basis.

### 3 Financial risk management (continued)

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

##### (i) Price risk (continued)

At 30 June, the fair value of investments exposed to price risk were as follows:

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Listed unit trust designated at fair value through profit or loss	46,641	54,739
Equity securities designated at fair value through profit or loss	1,064,437	1,084,814
<b>Net total</b>	<b>1,111,078</b>	<b>1,139,553</b>

The table presented in note 3(b) summarises the impact on operating profit attributable to unitholders and liabilities attributable to unitholders from possible changes in market prices that were reasonably based on the risk that the Fund was exposed to at reporting date.

##### (ii) Foreign exchange risk

The Fund has exposure to foreign assets and holds both monetary and non monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. Monetary assets/liabilities comprise of cash and cash equivalents and bank overdrafts. All other assets/liabilities are non-monetary. The foreign exchange risk relating to non monetary assets and liabilities is a component of price risk not foreign exchange risk. The risk is measured using sensitivity analysis.

The foreign exchange risk disclosures have been prepared on the basis of the Fund's direct investments. In addition, any currency hedging to minimise the impact of foreign exchange risk has not been incorporated into the disclosures unless the derivatives are held directly in this fund.

In accordance with the Fund's policy, the investment manager monitors the Fund's foreign exchange exposure on a daily basis.



### 3 Financial risk management (continued)

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

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

The table below summarises the Fund's assets and liabilities, monetary and non-monetary that are denominated in a currency other than the Australian dollar.

	US Dollars \$'000	Euros \$'000	Canadian Dollars \$'000	British Pounds \$'000	Swiss Francs \$'000	Other Currencies \$'000
<b>30 June 2024</b>						
<b>Assets</b>						
Cash and cash equivalents	3,352	—	—	—	—	—
Receivables	1,830	2,854	149	—	2,410	324
Accrued income	1,108	194	315	491	—	117
Financial assets at fair value through profit or loss	766,583	164,626	63,446	55,527	31,450	29,446
<b>Total assets</b>	<b>772,873</b>	<b>167,674</b>	<b>63,910</b>	<b>56,018</b>	<b>33,860</b>	<b>29,887</b>
<b>Liabilities</b>						
Bank overdraft	(35)	—	—	—	—	—
<b>Total liabilities (excluding net assets attributable to unitholder)</b>	<b>(35)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net exposure including foreign currency forward contracts</b>	<b>772,838</b>	<b>167,674</b>	<b>63,910</b>	<b>56,018</b>	<b>33,860</b>	<b>29,887</b>

### 3 Financial risk management (continued)

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

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

	US Dollars \$'000	Euros \$'000	Canadian Dollars \$'000	British Pound \$'000	Japanese Yen \$'000	Other Currencies \$'000
30 June 2023						
<b>Assets</b>						
Cash and cash equivalents	8,065	—	—	—	—	—
Receivables	1,736	2,543	154	—	—	3,284
Due from brokers - receivable for securities sold	4,164	3,930	—	—	—	—
Accrued income	1,180	215	259	546	—	93
Financial assets at fair value through profit or loss	762,139	187,025	67,294	52,070	14,475	56,551
<b>Total assets</b>	<u>777,284</u>	<u>193,713</u>	<u>67,707</u>	<u>52,616</u>	<u>14,475</u>	<u>59,928</u>
<b>Liabilities</b>						
Bank overdraft	(27)	—	—	—	—	—
Due to brokers - payable for securities purchased	(1,825)	—	—	—	—	—
Financial liabilities at fair value through profit or loss	—	(5)	—	—	—	—
<b>Total liabilities (excluding net assets attributable to unitholder)</b>	<u>(1,852)</u>	<u>(5)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net increase/(decrease) in exposure from foreign currency forward contracts						
- Buy foreign currency	532	—	—	—	—	—
- Sell foreign currency	—	(3,925)	—	—	—	—
<b>Net exposure including foreign currency forward contracts</b>	<u>775,964</u>	<u>189,783</u>	<u>67,707</u>	<u>52,616</u>	<u>14,475</u>	<u>59,928</u>

The table in Note 3(b) summarises the sensitivity analysis to foreign exchange risk.

##### (iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

The Fund's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

### 3 Financial risk management (continued)

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

##### (iii) Cash flow and fair value interest rate risk (continued)

The table below summarises the Fund's year end assets and liabilities that have floating interest rates or are non interest bearing.

30 June 2024	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>			
Cash and cash equivalents	9,924	–	9,924
Receivables	–	8,825	8,825
Accrued income	–	2,224	2,224
Financial assets at fair value through profit or loss	–	1,111,078	1,111,078
<b>Total assets</b>	<b>9,924</b>	<b>1,122,127</b>	<b>1,132,051</b>
<b>Financial liabilities</b>			
Bank overdraft	35	–	35
Distribution payable	–	61,125	61,125
Payables	–	4,006	4,006
<b>Total liabilities (excluding net assets attributable to unitholder)</b>	<b>35</b>	<b>65,131</b>	<b>65,166</b>
<b>Net exposure</b>	<b>9,889</b>	<b>1,056,996</b>	<b>1,066,885</b>
30 June 2023	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>			
Cash and cash equivalents	15,633	–	15,633
Receivables	–	8,804	8,804
Accrued income	–	2,293	2,293
Due from brokers - receivable for securities sold	–	8,094	8,094
Financial assets at fair value through profit or loss	–	1,139,554	1,139,554
<b>Total assets</b>	<b>15,633</b>	<b>1,158,745</b>	<b>1,174,378</b>
<b>Financial liabilities</b>			
Bank overdraft	27	–	27
Distribution payable	–	35,642	35,642
Payables	–	3,842	3,842
Due to brokers - payable for securities purchased	–	1,825	1,825
Financial liabilities at fair value through profit or loss	–	5	5
<b>Total liabilities (excluding net assets attributable to unitholder)</b>	<b>27</b>	<b>41,314</b>	<b>41,341</b>
<b>Net exposure</b>	<b>15,606</b>	<b>1,117,431</b>	<b>1,133,037</b>

The table in section 3(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +50/-50 basis points (2023: +50/-10 basis points) from the year end rates with all other variables held constant.

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

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

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to price risk, interest rate risk and foreign exchange risk.

	Impact on operating profit and net assets attributable to unitholders			
	As at			
	30 June 2024		30 June 2023	
	+15% \$'000	-15% \$'000	+15% \$'000	-15% \$'000
Price risk	166,662	(166,662)	170,933	(170,933)

	Impact on operating profit and net assets attributable to unitholders			
	As at			
	30 June 2024		30 June 2023	
	+50 bps \$'000	-50 bps \$'000	+50 bps \$'000	-10 bps \$'000
Interest rate risk	49	(49)	78	(16)

	As at 30 June 2024			
	Impact on operating profit and net assets attributable to unitholders			
	Change in currency rate			
	Increase %	Decrease %	Increase \$'000	Decrease \$'000
Foreign exchange risk				
US Dollars	+15	-15	115,926	(115,926)
Euros	+15	-15	25,151	(25,151)
Canadian Dollars	+15	-15	9,587	(9,587)
British Pounds	+15	-15	8,403	(8,403)
Swiss Francs	+15	-15	5,079	(5,079)
Other Currencies	+15	-15	4,483	(4,483)

	As at 30 June 2023			
	Impact on operating profit and net assets attributable to unitholders			
	Change in currency rate			
	Increase %	Decrease %	Increase \$'000	Decrease \$'000
Foreign exchange risk				
US Dollars	+15	-15	116,395	(116,395)
Euros	+15	-15	28,467	(28,467)
Canadian Dollars	+15	-15	10,156	(10,156)
British Pounds	+15	-15	7,892	(7,892)
Japanese Yen	+15	-15	2,171	(2,171)
Other Currencies	+15	-15	8,989	(8,989)

### 3 Financial risk management (continued)

#### (c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk, to which the Fund is exposed, arises from counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

##### (i) Derivative financial instruments

All foreign exchange contracts, futures and options are settled with an approved broker or the Fund's custodian. The risk of default is considered low, as currency is delivered when payment is made.

##### (ii) Settlement of loans and securities transactions

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

Loans are settled and the Fund's interest is assigned by the relevant administrative agent.

##### (iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all cash and cash equivalents are held by the custodian. The credit rating of JPMorgan Chase Bank, N.A. is A-1 as determined by S&P.

The Fund is not materially exposed to credit risk on other financial assets.

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

#### (d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable units. The Fund primarily holds investments that are traded in active markets and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Responsible Entity monitors liquidity of the Fund on a daily basis. In order to manage the Fund's overall liquidity, the Fund has the ability to suspend unit pricing and hence suspend redemption requests. The Fund did not suspend redemptions as a result of suspending unit pricing in the current or prior year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year. The amounts in the table are contractual undiscounted cash flows.

30 June 2024	Less than 1 month \$'000	1 - 6 months \$'000	6 - 12 months \$'000	Over 12 months \$'000	Total \$'000
Bank overdraft	35	–	–	–	35
Distribution payable	61,125	–	–	–	61,125
Payables	4,006	–	–	–	4,006
Net assets attributable to unitholders	1,066,885	–	–	–	1,066,885
<b>Total financial liabilities</b>	<b>1,132,051</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,132,051</b>

### 3 Financial risk management (continued)

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

30 June 2023	Less than 1 month \$'000	1 - 6 months \$'000	6 - 12 months \$'000	Over 12 months \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	5	—	—	—	5
Bank overdraft	27	—	—	—	27
Distribution payable	35,642	—	—	—	35,642
Payables	3,842	—	—	—	3,842
Due to brokers - payable for securities purchased	1,825	—	—	—	1,825
Net assets attributable to unitholders	1,133,037	—	—	—	1,133,037
<b>Total financial liabilities</b>	<b>1,174,378</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,174,378</b>

### 4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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. There are no significant amounts subject to enforceable netting arrangements as at 30 June 2024 and 30 June 2023.

### 5 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVPL) (see Notes 6 and 7).
- Derivative financial instruments (see Note 8)

#### *Business model – investment portfolio*

The Directors have determined that the Fund's investment portfolio is managed on a fair value basis and is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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

#### *(i) Fair value in an active market (level 1)*

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

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

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

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

#### *(ii) Fair value in an inactive or unquoted market (level 2 and level 3)*

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

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

## 5 Fair value measurement (continued)

### (ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

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

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

### (a) Fair value hierarchy

#### Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as according to the fair value hierarchy at 30 June 2024 and 30 June 2023.

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	1,064,437	–	–	1,064,437
Listed unit trusts	46,641	–	–	46,641
<b>Total</b>	<b>1,111,078</b>	<b>–</b>	<b>–</b>	<b>1,111,078</b>
 30 June 2023	 Level 1 \$'000	 Level 2 \$'000	 Level 3 \$'000	 Total \$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivatives				
Forward currency contracts	–	1	–	1
Equity securities	1,084,814	–	–	1,084,814
Listed unit trusts	54,739	–	–	54,739
<b>Total</b>	<b>1,139,553</b>	<b>1</b>	<b>–</b>	<b>1,139,554</b>
 <b>Financial liabilities at fair value through profit or loss</b>				
Derivatives				
Forward currency contracts	–	5	–	5
<b>Total</b>	<b>–</b>	<b>5</b>	<b>–</b>	<b>5</b>

Investments whose values are based on quoted market prices in active markets and therefore classified within level 1, include active listed equity securities and exchange traded derivatives.

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. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded.

## 5 Fair value measurement (continued)

### (a) Fair value hierarchy (continued)

#### *Movement in level 3 instruments*

There were no investments classified as level 3 investments during the year ended 30 June 2024 (30 June 2023: Nil).

#### *Transfers between levels*

There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2024 and year ended 30 June 2023.

#### *Fair value of financial instruments not carried at fair value*

The carrying amounts of receivables and payables are assumed to approximate fair value. Net assets attributable to unitholders carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation input. The difference is not material in the current or prior year.

## 6 Financial assets held at fair value through profit or loss

	As at	
	30 June 2024 Fair value \$'000	30 June 2023 Fair value \$'000
<b>Financial assets at fair value through profit or loss</b>		
Derivatives	–	1
Equity securities	1,064,437	1,084,814
Listed unit trusts	46,641	54,739
<b>Total financial assets at fair value through profit or loss</b>	<b>1,111,078</b>	<b>1,139,554</b>
<b>Comprising:</b>		
<b>Derivatives</b>		
Forward currency contracts	–	1
Total derivatives	–	1
<b>Equity securities</b>		
International equity securities listed on a prescribed stock exchange	1,064,437	1,084,814
Total equity securities	1,064,437	1,084,814
<b>Listed unit trusts</b>		
International listed property trusts	46,641	54,739
Total listed unit trusts	46,641	54,739
<b>Total financial assets at fair value through profit or loss</b>	<b>1,111,078</b>	<b>1,139,554</b>

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



## 7 Financial liabilities at fair value through profit or loss

	As at	
	30 June 2024 Fair value \$'000	30 June 2023 Fair value \$'000
<b>Financial liabilities at fair value through profit or loss</b>		
Derivatives	–	5
<b>Total financial liabilities at fair value through profit or loss</b>	<u>–</u>	<u>5</u>
<b>Comprising:</b>		
<b>Derivatives</b>		
Forward currency contracts	–	5
Total derivatives	–	5
<b>Total financial liabilities at fair value through profit or loss</b>	<u>–</u>	<u>5</u>

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

## 8 Derivative financial instruments

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

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

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

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

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

The Fund holds the following derivative financial instruments:

### *Forward currency contracts*

Forward currency contracts are primarily used by the Fund to manage against foreign currency risks on its investments. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting year. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting year.

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

	30 June 2024 Fair Values			30 June 2023 Fair Values		
	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	–	–	–	(3,393)	1	(5)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3,393)</u>	<u>1</u>	<u>(5)</u>

## 8 Derivative financial instruments (continued)

### Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange risk, and interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of derivative financial instruments disclosed above.

## 9 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non contractual arrangement with an entity which creates variability in returns from the performance of the arrangement for the Fund.

The Fund may invest in related and unrelated managed funds and considers these underlying fund investments to be interests in structured entities. The Fund generally has no involvement with these structured entities other than the securities it holds as part of its investments. The maximum exposure to loss on investments in structured entities is restricted to the carrying value of the asset.

## 10 Net assets attributable to unitholders

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

Class A	As at			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	842,384	920,196	1,041,651	1,065,503
Applications	116,337	157,735	150,105	190,765
Redemptions	(227,642)	(248,589)	(293,321)	(299,008)
Units issued upon reinvestment of distributions	17,514	12,753	22,485	15,619
Units issued upon reinvestment of fee rebates	297	289	378	345
Increase in net assets attributable to unitholders	—	—	38,178	68,427
Closing balance	<u>748,890</u>	<u>842,384</u>	<u>959,476</u>	<u>1,041,651</u>

Class B	As at			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	86,910	52,410	91,386	51,635
Applications	32,104	50,087	35,511	52,387
Redemptions	(20,380)	(15,587)	(22,579)	(16,057)
Increase in net assets attributable to unitholders	—	—	3,091	3,421
Closing balance	<u>98,634</u>	<u>86,910</u>	<u>107,409</u>	<u>91,386</u>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund. There are two classes of unitholders in the Fund being Class A and Class B.

## 10 Net assets attributable to unitholders (continued)

### Capital risk management

The Fund considers 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 Fund is subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

The Fund's investment strategy remains unchanged and it continues to hold direct investments which provide exposure to liquid assets including interest earnings and cash equivalent securities. As such, the Fund will meet any capital requirements from the liquidation of liquid assets, which include cash and cash equivalents.

## 11 Distributions to unitholders

The distributions for the year were as follows:

Class A	\$'000	Year ended		30 June 2023
		30 June 2024		
		CPU	\$'000	CPU
Distributions paid				
- 30 September	2,625	0.32	3,704	0.42
- 31 December	3,678	0.47	5,226	0.61
- 31 March	4,076	0.54	1,314	0.15
- 30 June	19,651	9.87	12,713	5.33
Distributions payable				
- 30 June	52,760	9.87	31,617	5.33
	<u>82,790</u>		<u>54,574</u>	
Class B	\$'000	Year ended		30 June 2023
		30 June 2024		
		CPU	\$'000	CPU
Distributions paid				
- 30 September	320	0.35	271	0.45
- 31 December	456	0.49	375	0.59
- 31 March	543	0.56	159	0.23
Distributions payable				
- 30 June	8,365	8.48	4,025	4.63
	<u>9,684</u>		<u>4,830</u>	

## 12 Cash and cash equivalents

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Domestic cash at bank	6,571	7,567
Foreign cash at bank	3,353	8,066
Bank overdraft	(35)	(27)
<b>Total cash and cash equivalents</b>	<u>9,889</u>	<u>15,606</u>

### 13 Reconciliation of profit to net cash flow from operating activities

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>(a) Reconciliation of profit to net cash inflow from operating activities</b>		
Profit for the year	133,743	131,252
Net gains on financial instruments at fair value through profit or loss	(111,912)	(111,538)
Proceeds from sale of financial instruments at fair value through profit or loss	318,909	450,020
Purchase of financial instruments at fair value through profit or loss	(171,800)	(315,326)
Net change in accrued income and receivables	(587)	663
Net change in payables	(20)	(56)
<b>Net cash inflow from operating activities</b>	<b>168,333</b>	<b>155,015</b>
<b>(b) Non-cash financing activities</b>		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	22,485	15,619

### 14 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditors of the Fund.

	Year ended	
	30 June 2024 \$	30 June 2023 \$
<b>PricewaterhouseCoopers</b>		
Audit and other assurance services		
Audit and review of financial statements	23,846	29,740
Other assurance services- Compliance plan audit	3,194	3,086
<b>Total remuneration for audit and other assurance services</b>	<b>27,040</b>	<b>32,826</b>

All audit fees were borne by Responsible Entity during the years ended 30 June 2024 and 30 June 2023.

### 15 Related party transactions

#### Responsible Entity

The Responsible Entity of the Fund is GSFM Responsible Entity Services Limited, which is a majority owned subsidiary of CI Financial Corp, a company listed on the Toronto Stock Exchange. The registered office of the Responsible Entity and the Fund is Level 1, 275 George Street, Sydney NSW 2000.

#### Key management personnel

Key management personnel includes persons who were directors of the Responsible Entity at any time during the financial year as follows:

Robert Niven Johanson

Andrew Duncan McKinnon

Damien Henry McIntyre

Edward Douglas Kelterborn

Keri Bush (resigned 8 December 2023)

William Chinkiwsky (appointed 22 May 2024)

## 15 Related party transactions (continued)

### Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Responsible Entity of the Fund, directly or indirectly during the financial year.

### Responsible Entity's fees and other transactions

During the year ended 30 June 2024, Responsible Entity received a total fee of 1.25% of Net Asset Value (inclusive of GST, net of RITC available to the Fund) for Class A (2023: 1.25%) and 0.95% for Class B (2023: 0.95%).

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity are as follows:

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
Responsible Entity's fees for the year	13,731,365	13,838,995
Total fees payable to the Responsible Entity at year end	1,134,930	1,155,485

### Key management personnel unit holdings

The key management personnel of the Responsible Entity directly or indirectly through a related party held units or an interest in units in the Fund as follows:

30 June 2024	Number of units held opening Units	Number of units held closing Units	Fair value of investment \$	Interest held %	Number of units acquired Units	Number of units disposed Units	Distribution paid/ payable by the Fund \$
Related Party	316,836	317,945	406,683	0.04	1,109	–	35,564
30 June 2023	Number of units held opening Units	Number of units held closing Units	Fair value of investment \$	Interest held %	Number of units acquired Units	Number of units disposed Units	Distribution paid/payable by the Fund \$
Related Party	315,729	316,836	391,165	0.03	1,107	–	16,879

### Key management personnel remuneration

Key management personnel are paid by a related entity of the Responsible Entity. Payments made from the Fund do not include any amounts directly attributable to key management personnel remuneration.

### Key management personnel loan disclosures

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

### Other transactions within the Fund

Apart from those details disclosed in this Note, no directors have entered into a material contract with the Fund during the financial year and there were no material contracts involving director's interests subsisting at year end.

## **16 Events occurring after the reporting period**

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

## **17 Contingent assets, liabilities and commitments**

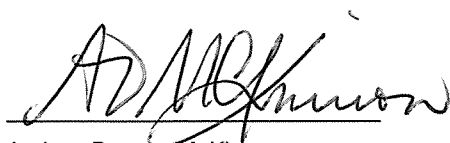
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2024 (30 June 2023: Nil).

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 28 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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



Andrew Duncan McKinnon

Director

Sydney

25 September 2024



## Independent auditor's report

To the unitholders of Epoch Global Equity Shareholder Yield (Unhedged) Fund

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### Our opinion

In our opinion:

The accompanying financial report of Epoch Global Equity Shareholder Yield (Unhedged) Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Registered Scheme's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the director's declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### Independence

We are independent of the Registered Scheme 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.

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### Other information

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





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

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

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

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### **Responsibilities of the directors of the Responsible Entity for the financial report**

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

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

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### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.

  
PricewaterhouseCoopers

  
Klynton Hankin  
Partner

Sydney  
25 September 2024