

## **Annual financial report - 30 June 2022**

### **IFP Global Franchise Fund II (Wholesale)**

ARSN 636 433 531

### **Macquarie Professional Series Global Alternatives Fund**

ARSN 617 266 127

### **Walter Scott Global Equity No. 1 Fund**

ARSN 623 203 583

### **Walter Scott Global Equity No. 2 Fund (Hedged)**

ARSN 643 226 028

## **Macquarie Public Investment - Feeder Funds Booklet 3**

### **Annual financial report - 30 June 2022**

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This financial report covers IFP Global Franchise Fund II (Wholesale), Macquarie Professional Series Global Alternatives Fund, Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged) as individual entities.

The Responsible Entity of IFP Global Franchise Fund II (Wholesale), Macquarie Professional Series Global Alternatives Fund, Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged) 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 IFP Global Franchise Fund II (Wholesale), Macquarie Professional Series Global Alternatives Fund, Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged), present their report together with the financial report of IFP Global Franchise Fund II (Wholesale), Macquarie Professional Series Global Alternatives Fund, Walter Scott Global Equity No. 1 Fund, Walter Scott Global Equity No. 2 Fund (Hedged) (individually the "Trust", collectively the "Trusts") for the financial year ended 30 June 2022.

#### Principal activities

- ***IFP Global Franchise Fund II (Wholesale)***

The principal activity of the Trust is to invest in unlisted unit trusts in accordance with its Constitution.

- ***Macquarie Professional Series Global Alternatives Fund***

The principal activity of the Trust is to invest in unlisted unit trusts in accordance with its Constitution.

- ***Walter Scott Global Equity No. 1 Fund***

The principal activity of the Trust is to invest in unlisted unit trusts in accordance with its Constitution.

- ***Walter Scott Global Equity No. 2 Fund (Hedged)***

The principal activity of the Trust is to invest in unlisted unit trusts in accordance with its Constitution.

There were no significant changes in the nature of the Trusts' 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

## Macquarie Public Investment - Feeder Funds Booklet 3

### Directors' Report

30 June 2022

#### Review and results of operations

During the financial year, the Trusts were managed in accordance with the investment objective and strategy set out in the respective Trust's offer document and in accordance with their respective Constitution.

The performance of the Trusts, as represented by the results of their operations, was as follows:

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021
Profit/(loss) for the year attributable to unitholders (\$'000)	(4,334)	1,137	3,976	(2,516)
Distributions paid or payable (\$'000)	779	35	1,135	139
Distribution per unit (in cents)	1.21	0.23	1.53	0.26

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the period 18 August 2020 to 30 June 2021
Profit/(loss) for the year attributable to unitholders (\$'000)	(2,643)	8,700	(6,745)	7,171
Distributions paid or payable (\$'000)	922	1,251	813	4,360
Distribution per unit (in cents)	4.46	6.13	1.82	11.81

#### Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trusts 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 Trusts in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trusts in future financial years.

# Directors' Report

30 June 2022

### Likely developments and expected results of operations

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

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

### Indemnification and insurance of officers and auditors

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

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

Fees paid to the Responsible Entity and its associates out of the Trusts' property during the financial year are disclosed in note 8 of the financial statements.

No fees were paid out of the Trusts' property to the directors of the Responsible Entity during the financial year (30 June 2021: Nil).

The number of units in the Trusts held by the Responsible Entity, its directors or its associates as at the end of the financial year are disclosed in note 8 of the financial statements.

### Units in the Trusts

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

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

### Environmental regulations

The operations of the Trusts 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.

### Multi-fund booklet

The relief available in *Australian Securities and Investments Commission Corporations (Related Scheme Reports) Instrument 2015/839* has been applied in the directors' report and the financial report, combining information related to multiple Trusts. In accordance with that, information related to each included Trust has been readily identified and amounts for each included Trust are presented in the adjacent columns in this report.

## **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 5 following this report.

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

Director: .....  
B Terry

Sydney

19 September 2022

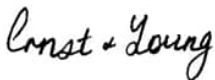
## **Auditor's independence declaration to the directors of Macquarie Investment Management Australia Limited as Responsible Entity of**

- IFP Global Franchise Fund II (Wholesale)
- Macquarie Professional Series Global Alternatives Fund
- Walter Scott Global Equity No. 1 Fund
- Walter Scott Global Equity No. 2 Fund (Hedged)

referred to collectively as the Trusts.

As lead auditor for the audit of the financial report of the Trusts 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



Rita Da Silva  
Partner  
19 September 2022

## Statements of Comprehensive Income

For the Year Ended 30 June 2022

		IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
		For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021*	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Income/(loss)</b>					
Distribution income	8	1,054	18	1,022	—
Net gains/(losses) on financial instruments held at fair value through profit or loss		(5,469)	1,111	2,841	(2,655)
Fee rebates	8	761	72	646	923
<b>Total income/(loss)</b>		<b>(3,654)</b>	<b>1,201</b>	<b>4,509</b>	<b>(1,732)</b>
<b>Expenses</b>					
Responsible Entity fees	8	(680)	(64)	(533)	(784)
<b>Total expenses</b>		<b>(680)</b>	<b>(64)</b>	<b>(533)</b>	<b>(784)</b>
<b>Profit/(loss) for the year attributable to unitholders</b>	5	<b>(4,334)</b>	<b>1,137</b>	<b>3,976</b>	<b>(2,516)</b>
Other comprehensive income for the year		—	—	—	—
<b>Total comprehensive income/(loss) for the year attributable to unitholders</b>		<b>(4,334)</b>	<b>1,137</b>	<b>3,976</b>	<b>(2,516)</b>

\*The Trust commenced trading on 7 August 2020.

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



## Statements of Comprehensive Income

For the Year Ended 30 June 2022

	Notes	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
		For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the period 18 August 2020 to 30 June 2021*
		\$'000	\$'000	\$'000	\$'000
<b>Income/(loss)</b>					
Distribution income	8	942	233	992	4,256
Net gains/(losses) on financial instruments held at fair value through profit or loss		(3,757)	8,306	(7,881)	2,876
Fee rebates	8	424	654	595	340
<b>Total income/(loss)</b>		<b>(2,391)</b>	<b>9,193</b>	<b>(6,294)</b>	<b>7,472</b>
<b>Expenses</b>					
Responsible Entity fees	8	(252)	(493)	(451)	(301)
<b>Total expenses</b>		<b>(252)</b>	<b>(493)</b>	<b>(451)</b>	<b>(301)</b>
<b>Profit/(loss) for the year attributable to unitholders</b>	5	<b>(2,643)</b>	<b>8,700</b>	<b>(6,745)</b>	<b>7,171</b>
Other comprehensive income for the year		—	—	—	—
<b>Total comprehensive income/(loss) for the year attributable to unitholders</b>		<b>(2,643)</b>	<b>8,700</b>	<b>(6,745)</b>	<b>7,171</b>

\*The Trust commenced trading on 5 November 2020.

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

## Macquarie Public Investment - Feeder Funds Booklet 3

### Statements of Financial Position

As at 30 June 2022

	Notes	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
<b>Assets</b>					
Cash and cash equivalents	6	15	1	2	52
Due from underlying unit trusts	8	800	29	9	60
Fee rebates receivable	8	237	24	226	145
Financial assets held at fair value through profit or loss	7	74,553	18,354	81,518	48,805
<b>Total assets</b>		<b>75,605</b>	<b>18,408</b>	<b>81,755</b>	<b>49,062</b>
<b>Liabilities</b>					
Redemptions payable		14	–	–	52
Distributions payable		686	33	170	58
Responsible Entity fees payable	8	69	15	57	41
Other payables		6	–	7	5
<b>Total liabilities</b>		<b>775</b>	<b>48</b>	<b>234</b>	<b>156</b>
<b>Net assets attributable to unitholders - equity</b>	5	<b>74,830</b>	<b>18,360</b>	<b>81,521</b>	<b>48,906</b>

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

## Statements of Financial Position

As at 30 June 2022

		Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	Notes	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
<b>Assets</b>					
Cash and cash equivalents	6	19	63	1	1
Due from underlying unit trusts	8	1,407	1,199	—	—
Fee rebates receivable	8	96	89	130	134
Other receivables		—	—	—	4
Financial assets held at fair value through profit or loss	7	26,573	30,105	41,275	43,922
<b>Total assets</b>		<b>28,095</b>	<b>31,456</b>	<b>41,406</b>	<b>44,061</b>
<b>Liabilities</b>					
Redemptions payable		281	58	—	—
Distributions payable		921	1,251	—	—
Responsible Entity fees payable	8	17	17	27	40
Other payables		6	2	4	—
<b>Total liabilities</b>		<b>1,225</b>	<b>1,328</b>	<b>31</b>	<b>40</b>
<b>Net assets attributable to unitholders - equity</b>	5	<b>26,870</b>	<b>30,128</b>	<b>41,375</b>	<b>44,021</b>

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

## Statements of Changes in Equity

For the Year Ended 30 June 2022

	Notes	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
		For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000
<b>Total equity at the beginning of the year</b>		18,360	–	48,906	66,883
<b>Comprehensive income/(loss) for the year</b>					
Profit/(loss) for the year	5	(4,334)	1,137	3,976	(2,516)
Other comprehensive income		–	–	–	–
<b>Total comprehensive income/(loss) for the year</b>		<b>(4,334)</b>	<b>1,137</b>	<b>3,976</b>	<b>(2,516)</b>
<b>Transactions with unitholders in their capacity as owners</b>					
Applications	5	64,775	17,513	41,069	6,957
Redemptions	5	(3,284)	(257)	(12,197)	(22,360)
Units issued upon reinvestment of distributions	5	92	2	902	81
Distributions	5	(779)	(35)	(1,135)	(139)
<b>Total transactions with unitholders in their capacity as owners</b>		<b>60,804</b>	<b>17,223</b>	<b>28,639</b>	<b>(15,461)</b>
<b>Total equity at the end of the year</b>	5	<b>74,830</b>	<b>18,360</b>	<b>81,521</b>	<b>48,906</b>

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

## Statements of Changes in Equity

For the Year Ended 30 June 2022

	Notes	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
		For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the period 18 August 2020 to 30 June 2021
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year</b>		30,128	107,094	44,021	—
<b>Comprehensive income/(loss) for the year</b>					
Profit/(loss) for the year	5	(2,643)	8,700	(6,745)	7,171
Other comprehensive income		—	—	—	—
<b>Total comprehensive income/(loss) for the year</b>		<u>(2,643)</u>	<u>8,700</u>	<u>(6,745)</u>	<u>7,171</u>
<b>Transactions with unitholders in their capacity as owners</b>					
Applications	5	12,778	8,887	9,140	40,286
Redemptions	5	(12,472)	(93,302)	(5,041)	(3,436)
Units issued upon reinvestment of distributions	5	1	—	813	4,360
Distributions	5	(922)	(1,251)	(813)	(4,360)
<b>Total transactions with unitholders in their capacity as owners</b>		<u>(615)</u>	<u>(86,098)</u>	<u>4,099</u>	<u>36,850</u>
<b>Total equity at the end of the year</b>	5	<u>26,870</u>	<u>30,128</u>	<u>41,375</u>	<u>44,021</u>

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

## Statements of Cash Flows

For the Year Ended 30 June 2022

	Notes	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
		For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>					
Proceeds related to financial instruments held at fair value through profit or loss		2,449	293	38,747	43,921
Payments related to financial instruments held at fair value through profit or loss		(63,834)	(17,547)	(67,546)	(28,513)
Fee rebates received		554	48	567	1,072
Responsible Entity fees paid		(626)	(49)	(517)	(832)
<b>Net cash inflow/(outflow) from operating activities</b>	9(a)	<b>(61,457)</b>	<b>(17,255)</b>	<b>(28,749)</b>	<b>15,648</b>
<b>Cash flows from financing activities:</b>					
Proceeds from applications by unitholders		64,775	17,513	41,069	6,957
Payments for redemptions made to unitholders		(3,270)	(257)	(12,249)	(22,326)
Distributions paid to unitholders		(34)	—	(121)	(246)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>61,471</b>	<b>17,256</b>	<b>28,699</b>	<b>(15,615)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14</b>	<b>1</b>	<b>(50)</b>	<b>33</b>
Cash and cash equivalents at the beginning of the year		1	—	52	19
<b>Cash and cash equivalents at the end of the year</b>	6	<b>15</b>	<b>1</b>	<b>2</b>	<b>52</b>
Non-cash financing activities	9(b)	92	2	902	81

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

## Statements of Cash Flows

For the Year Ended 30 June 2022

		Walter Scott Global Equity No. 1 Fund	Walter Scott Global Equity No. 2 Fund (Hedged)	
		For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022
		For the period 18 August 2020 to 30 June 2021		
Notes	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>				
Proceeds related to financial instruments held at fair value through profit or loss	12,513	94,594	5,269	3,719
Payments related to financial instruments held at fair value through profit or loss	(12,004)	(10,249)	(9,511)	(40,509)
Fee rebates received	421	878	603	206
Responsible Entity fees paid	(252)	(537)	(460)	(265)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>678</b>	<b>84,686</b>	<b>(4,099)</b>	<b>(36,849)</b>
9(a)				
<b>Cash flows from financing activities:</b>				
Proceeds from applications by unitholders	12,778	8,887	9,140	40,286
Payments for redemptions made to unitholders	(12,249)	(93,244)	(5,041)	(3,436)
Distributions paid to unitholders	(1,251)	(254)	—	—
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(722)</b>	<b>(84,611)</b>	<b>4,099</b>	<b>36,850</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(44)</b>	<b>75</b>	<b>—</b>	<b>1</b>
Cash and cash equivalents at the beginning of the year	63	(12)	1	—
<b>Cash and cash equivalents at the end of the year</b>	<b>19</b>	<b>63</b>	<b>1</b>	<b>1</b>
6				
Non-cash financing activities	1	—	813	4,360
9(b)				

The above statements 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 IFP Global Franchise Fund II (Wholesale), Macquarie Professional Series Global Alternatives Fund, Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged) (individually the "Trust", collectively the "Trusts") as individual entities. The Trusts are registered managed investment scheme domiciled in Australia. The Trusts did not have any employees during the financial years ended 30 June 2022 and 30 June 2021. The financial report of the Trusts is presented in Australian dollars, which is also the functional currency of the Trusts. The respective Trust's Constitution dates are as follows:

- IFP Global Franchise Fund II (Wholesale) - 25 September 2019;
- Macquarie Professional Series Global Alternatives Fund - 6 February 2017;
- Walter Scott Global Equity No. 1 Fund - 1 December 2017; and
- Walter Scott Global Equity No. 2 Fund (Hedged) - 28 July 2020.

The Responsible Entity of the Trusts 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 of the Trusts is Macquarie Investment Management Global Limited ("MIMGL" or the "Investment Manager").

The respective Trust's Constitution allows the Attribution Managed Investment Trust ("AMIT") tax regime to apply to the Trusts. The Trusts 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 Trusts are classified as equity (see note 2(c), note 2(i) and note 5).

In addition, disclosures applicable to certain Trusts are as below:

- ***IFP Global Franchise Fund II (Wholesale)***

On 7 August 2020, the Trust issued Class W units and commenced trading on that date.

On 4 May 2021, the name of the Trust was changed from IFP Global Franchise Fund IIA to IFP Global Franchise Fund II (Wholesale).

- ***Macquarie Professional Series Global Alternatives Fund***

During the financial year, Macquarie Balanced Growth Fund ceased to be parent and ultimate parent of the Trust, upon issuing of further units by the Trust.

The Trust is classified as an investment entity as it meets the definition of an investment entity and has the typical characteristics of an investment entity. Hence, there is no requirement to prepare consolidated financial statements for the Trust, in accordance with the Australian Accounting Standards Board ("AASB") framework. These financial statements are the only financial statements prepared for the Trust (see note 2(f) and note 8(b)).

- ***Walter Scott Global Equity No. 2 Fund (Hedged)***

The Trust was registered with the Australian Securities and Investments Commission on 18 August 2020. The Trust presented its first financial statements for the period 18 August 2020 to 30 June 2021. On 5 November 2020, the Trust issued Class W units and commenced trading on that date.

On 13 December 2021, the name of Trust's Class was changed from Class W to Class I.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **1 General information (continued)**

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

The financial statements of the Trusts 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 Trusts are for-profit trusts 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 statements of financial position are 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 investments in financial assets held at fair value through profit or loss.

The Trusts manage financial assets 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 of the Trusts' 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.

##### *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 Trusts' results of operations and measurement of their assets and liabilities as at the reporting date.

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

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 Trusts' 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 Trusts. 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 Trusts' financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of significant accounting policies (continued)

##### (a) Basis of preparation (continued)

###### *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 Trusts manage their 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 Trusts classify their investments based on both their respective 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 Trusts are primarily focussed on fair value information, and use that information to assess the assets' performance and to make decisions in accordance with the Trusts' documented investment strategy.

The Trusts may hold investment in unlisted unit trusts which are measured at fair value through profit or loss.

- *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 Trusts may hold short-term receivables, such as amounts due from underlying unit trusts, fee rebates receivable 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 may include fees payable and other short-term payables.

###### (ii) Recognition/derecognition

The Trusts recognise financial assets and financial liabilities on the date they become 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 Trusts have transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities is discharged, cancelled or has expired.

## 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

- *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 statements 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 statements 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.

##### *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 unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

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 statements 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.

## 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)

- *Impairment*

The Expected Credit Loss ("ECL") requirements for the Trusts apply to financial assets measured at amortised cost, such as amounts due from underlying unit trusts, fee rebates receivable and other receivables. The Trusts apply 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 statements 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.

##### (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 Trusts classify the net assets attributable to unitholders as equity as they satisfy 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 Trusts' 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 Trusts, and it is not a contract settled in the Trusts' 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 Trusts over the life of the instrument.

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

For the purpose of presentation in the statements 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 statements of financial position.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

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

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

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 Trusts' main income generating activity.

##### **(e) Investment entity and subsidiary**

Subsidiaries are all those entities over which the Trusts have control evidenced by the power to direct the relevant activities of the entity, exposure or rights to significant variable returns and the ability to utilise power to affect the Trusts' own returns. The determination of control is based on current facts and circumstances and is continuously assessed.

The Trusts have power over an entity when they have existing substantive rights that give it the current ability to direct the entity's relevant activities. Relevant activities are those activities that significantly affect the entity's returns. The Trusts evaluate whether they have the power to direct the relevant activities. The Trusts also consider the entity's purpose and design. If the Trusts determine that they have power over an entity, the Trusts then evaluate whether they have exposure or rights to variable returns that, in aggregate, are significant. All variable returns are considered including, but not limited to, debt or equity investments, guarantees, liquidity arrangements, variable fees and certain derivative contracts.

The Trusts may hold investment in unlisted unit trust which is classified as an investment in a subsidiary. The Responsible Entity of the Trusts has determined that the Trusts qualify as an investment entity due to following factors:

- The Trusts obtain and manage funds for the purpose of providing investors of the Trusts with investment management services;
- The Trusts' business purpose is to gain from appreciation in the value of its investments; and
- The Trusts' investments are managed and performance is evaluated on a fair value basis.

The Trusts also meet all the typical characteristics of an investment entity. Hence, there is no requirement to prepare consolidated financial statements for the Trusts, in accordance with the AASB framework. These financial statements are the only financial statements prepared for the Trusts (see note 8(b)).

Investments in subsidiaries are accounted for at fair value through profit or loss in the financial statements of the Trusts.

##### **(f) Income**

Distribution income is received from the underlying unit trusts. This is recognised when the right to receive payment is established.

Fee rebates from the Responsible Entity are recognised in the statements of comprehensive income on an accruals basis.

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, are recognised in the statements 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 Trusts are not subject to income tax as income of the Trusts 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 Trusts are not subject to capital gains tax.

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

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

##### **(j) Foreign currency translation**

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

Items included in the Trusts' 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 Trusts compete for funds and are regulated. The Australian dollar is also the Trusts' 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 statements of comprehensive income.

The Trusts do 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 underlying unit trusts**

Amounts due from underlying unit trusts may include outstanding redemption proceeds receivable from the underlying unit trusts. The amounts are recognised as receivable once the redemption notice has been made by the Trusts to the underlying unit trusts and is recognised at the fair value of the underlying unit trusts at the date of redemption.

## **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 Trusts which have not been received as at the reporting date and may include such items as distributions, fee rebates and Reduced Input Tax Credits ("RITC").

Distribution income is accrued when the right to receive payment is established. Fee rebates receivable from the Responsible Entity is recognised in the statements of financial position on an accruals basis. Amounts are generally received within 30 days of being recorded as receivables.

##### **(m) Payables**

Payables include liabilities, accrued expenses and Goods and Services Tax ("GST") owing by the Trusts which are unpaid as at the reporting date.

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

##### **(n) Applications and redemptions**

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

##### **(o) 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 statements 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 statements 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.

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.

##### (r) Multi-fund booklet

The relief available in *Australian Securities and Investments Commission Corporations (Related Scheme Reports) Instrument 2015/839* has been applied in the directors' report and the financial report, combining information related to multiple Trusts. In accordance with that, information related to each included Trust has been readily identified and amounts for each included Trust are presented in the adjacent columns in this report.

#### 3 Financial risk management

##### (a) Strategy in using financial instruments

The Trusts' activities expose them 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 Trusts' investment guidelines and seeks to maximise the returns derived for the level of risk to which the Trusts are exposed.

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 Trusts' 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 Trusts' financial instruments from changes in market prices.

The Trusts trade in financial instruments such as unlisted unit trusts.

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 Trusts' positions are monitored on a daily basis by the Responsible Entity.

In addition, disclosures applicable to certain Trusts are as below:

- **IFP Global Franchise Fund II (Wholesale)**

Price risk is managed by:

- seeking to ensure that the Trust is investing in accordance with its stated objectives; and
- ensuring the Trust is fully invested in underlying unit trusts as per the Trust's offer document.



## 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)

##### • *Macquarie Professional Series Global Alternatives Fund*

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is fully invested in underlying unit trusts as per the Trust's offer document.

##### • *Walter Scott Global Equity No. 1 Fund*

Price risk is managed by:

- seeking to ensure that the Trust is investing in accordance with its stated objectives; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

##### • *Walter Scott Global Equity No. 2 Fund (Hedged)*

Price risk is managed by:

- seeking to ensure that the Trust is investing in accordance with its stated objectives; and
- ensuring the Trust is fully invested in underlying unit trusts as per the Trust's offer document.

The Trusts' unlisted unit trusts are susceptible to market price risk arising from uncertainties about future prices of the instruments.

The Trusts' market risk is affected by changes in market prices. The impact on profit/net assets attributable to unitholders owing to a 10% (30 June 2021: 10%) market price movement, with all other variables held constant, would amount to the following.

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

	30 June 2022		30 June 2021	
	Effect on profit/(loss) and net assets attributable to unitholders			
	10% increase	10% decrease	10% increase	10% decrease
	\$'000	\$'000	\$'000	\$'000
IFP Global Franchise Fund II (Wholesale)	7,455	(7,455)	1,835	(1,835)
Macquarie Professional Series Global Alternatives Fund	8,152	(8,152)	4,881	(4,881)
Walter Scott Global Equity No. 1 Fund	2,657	(2,657)	3,011	(3,011)
Walter Scott Global Equity No. 2 Fund (Hedged)	4,128	(4,128)	4,392	(4,392)

## **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**

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 Trusts indirectly hold non-monetary assets and liabilities denominated in currencies other than the Australian dollar through their investments in an underlying unit trust. The foreign exchange risk relating to the indirectly held non-monetary assets and liabilities is a component of price risk, not foreign exchange risk.

The Trusts are not directly exposed to foreign exchange risk on monetary assets and liabilities as all of the Trusts' monetary assets and liabilities are denominated in Australian dollars.

###### **(iii) Interest rate risk**

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

The Trusts are not subject to significant amounts of interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

##### **(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 Trusts.

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from underlying unit trusts. 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.

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 (30 June 2021: investment grade credit rating) as determined by Standard and Poor's rating agency.

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

##### **(d) Liquidity risk**

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

The Trusts are exposed to daily cash redemptions of redeemable units. They therefore invest the majority of their assets in unlisted unit trusts that have daily unit pricing and can generally be readily disposed of.

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

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

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

In order to manage the Trusts' 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.

All liabilities are payable within 30 days (30 June 2021: 30 days).

In addition, disclosures applicable to Macquarie Professional Series Global Alternatives Fund is as below:

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

##### **(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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 3 Financial risk management (continued)

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

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

IFP Global Franchise Fund II (Wholesale)				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	74,553	–	74,553
<b>Total financial assets</b>	–	74,553	–	74,553
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	18,354	–	18,354
<b>Total financial assets</b>	–	18,354	–	18,354

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (30 June 2021: Nil).

Macquarie Professional Series Global Alternatives Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	81,518	–	81,518
<b>Total financial assets</b>	–	81,518	–	81,518
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	48,805	–	48,805
<b>Total financial assets</b>	–	48,805	–	48,805

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (30 June 2021: Nil).

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 3 Financial risk management (continued)

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

Walter Scott Global Equity No. 1 Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	26,573	–	26,573
<b>Total financial assets</b>	–	26,573	–	26,573
<b>30 June 2021</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
- Unlisted unit trusts	–	30,105	–	30,105
<b>Total financial assets</b>	–	30,105	–	30,105

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (30 June 2021: Nil).

Walter Scott Global Equity No. 2 Fund (Hedged)				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
- Unlisted unit trusts	–	41,275	–	41,275
<b>Total financial assets</b>	–	41,275	–	41,275
<b>30 June 2021</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
- Unlisted unit trusts	–	43,922	–	43,922
<b>Total financial assets</b>	–	43,922	–	43,922

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (30 June 2021: Nil).

The carrying amounts of those of the Trusts' 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.

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 unit trusts valued at the redemption value per unit, as reported by the managers of such trusts.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 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 Trusts:

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021
	\$	\$	\$	\$
<b>Audit services</b>				
Audit of financial reports	4,392	4,186	6,873	6,540
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
<b>Non-audit services</b>				
Taxation compliance services	1,080	260	1,080	1,050
<b>Total remuneration paid/payable</b>	<b>6,376</b>	<b>5,189</b>	<b>8,857</b>	<b>8,333</b>

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the period 18 August 2020 to 30 June 2021
	\$	\$	\$	\$
<b>Audit services</b>				
Audit of financial reports	6,873	6,540	4,392	4,186
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
<b>Non-audit services</b>				
Taxation compliance services	1,080	1,050	1,080	—
<b>Total remuneration paid/payable</b>	<b>8,857</b>	<b>8,333</b>	<b>6,376</b>	<b>4,929</b>

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

#### 5 Net assets attributable to unitholders

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

The Trusts meet 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:

Class W	IFP Global Franchise Fund II (Wholesale)			
	For the year 1 July 2021	For the year 1 July 2020	For the year 1 July 2021	For the year 1 July 2020
	to 30 June 2022	to 30 June 2021	to 30 June 2022	to 30 June 2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	15,329	—	18,360	—
Applications	51,904	15,549	64,775	17,513
Redemptions	(2,683)	(221)	(3,284)	(257)
Units issued upon reinvestment of distributions	80	1	92	2
Distributions to unitholders	—	—	(779)	(35)
Profit/(loss) for the year	—	—	(4,334)	1,137
<b>Closing balance</b>	<b>64,630</b>	<b>15,329</b>	<b>74,830</b>	<b>18,360</b>

	Macquarie Professional Series Global Alternatives Fund			
	For the year 1 July 2021	For the year 1 July 2020	For the year 1 July 2021	For the year 1 July 2020
	to 30 June 2022	to 30 June 2021	to 30 June 2022	to 30 June 2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	54,186	71,100	48,906	66,883
Applications	42,767	7,655	41,069	6,957
Redemptions	(12,828)	(24,659)	(12,197)	(22,360)
Units issued upon reinvestment of distributions	944	90	902	81
Distributions to unitholders	—	—	(1,135)	(139)
Profit/(loss) for the year	—	—	3,976	(2,516)
<b>Closing balance</b>	<b>85,069</b>	<b>54,186</b>	<b>81,521</b>	<b>48,906</b>

	Walter Scott Global Equity No. 1 Fund			
	For the year 1 July 2021	For the year 1 July 2020	For the year 1 July 2021	For the year 1 July 2020
	to 30 June 2022	to 30 June 2021	to 30 June 2022	to 30 June 2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	20,415	85,759	30,128	107,094
Applications	8,322	6,517	12,778	8,887
Redemptions	(8,055)	(71,861)	(12,472)	(93,302)
Units issued upon reinvestment of distributions	1	—	1	—
Distributions to unitholders	—	—	(922)	(1,251)
Profit/(loss) for the year	—	—	(2,643)	8,700
<b>Closing balance</b>	<b>20,683</b>	<b>20,415</b>	<b>26,870</b>	<b>30,128</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 5 Net assets attributable to unitholders (continued)

	Walter Scott Global Equity No. 2 Fund (Hedged)			
	For the year	For the period	For the year	For the period
	1 July 2021	18 August 2020	1 July 2021	18 August 2020
	to 30 June 2022	to 30 June 2021	to 30 June 2022	to 30 June 2021
Class I (formerly Class W)	No. '000	No. '000	\$'000	\$'000
Opening balance	40,967	–	44,021	–
Applications	8,415	40,044	9,140	40,286
Redemptions	(4,615)	(3,129)	(5,041)	(3,436)
Units issued upon reinvestment of distributions	896	4,052	813	4,360
Distributions to unitholders	–	–	(813)	(4,360)
Profit/(loss) for the year	–	–	(6,745)	7,171
<b>Closing balance</b>	<b>45,663</b>	<b>40,967</b>	<b>41,375</b>	<b>44,021</b>

#### Capital risk management

The Trusts manage their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trusts are 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 Trusts.

#### 6 Cash and cash equivalents

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	15	1	2	52
<b>Total cash and cash equivalents</b>	<b>15</b>	<b>1</b>	<b>2</b>	<b>52</b>

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	19	63	1	1
<b>Total cash and cash equivalents</b>	<b>19</b>	<b>63</b>	<b>1</b>	<b>1</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2022

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

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Fair value	Fair value	Fair value	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Unlisted unit trusts</b>				
Units in unlisted unit trusts	74,553	18,354	81,518	48,805
Total unlisted unit trusts	74,553	18,354	81,518	48,805
<b>Total financial assets held at fair value through profit or loss</b>	<b>74,553</b>	<b>18,354</b>	<b>81,518</b>	<b>48,805</b>

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Fair value	Fair value	Fair value	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Unlisted unit trusts</b>				
Units in unlisted unit trusts	26,573	30,105	41,275	43,922
Total unlisted unit trusts	26,573	30,105	41,275	43,922
<b>Total financial assets held at fair value through profit or loss</b>	<b>26,573</b>	<b>30,105</b>	<b>41,275</b>	<b>43,922</b>

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

#### 8 Related party disclosures

##### (a) Parent entity

- **Macquarie Professional Series Global Alternatives Fund**

During the financial year, Macquarie Balanced Growth Fund ceased to be parent and ultimate parent of the Macquarie Professional Series Global Alternatives Fund, upon issue of further units by the Trust.

##### (b) Subsidiaries

- **Macquarie Professional Series Global Alternatives Fund**

The subsidiaries of the Trust are Fort Global Trend Fund, Allspring (Lux) Worldwide Fund and PGIM Wadhvani Keynes Systematic Absolute Return Fund, which became subsidiaries of the Trust during the financial year. As disclosed in note 2(e), the Trust is an investment entity and measures its investment in subsidiary at FVTPL.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (b) Subsidiaries (continued)

- ***Macquarie Professional Series Global Alternatives Fund (continued)***

The proportion of ownership interest and investment in the subsidiary is disclosed in note 8(j). Details of the subsidiaries are as below:

- Fort Global Trend Fund is an Australian registered managed investment scheme domiciled in Australia, which invests in unlisted unit trusts and derivatives, having its principal place of business in Australia.
- Allspring (Lux) Worldwide Fund became subsidiary of the Trust during the financial year. It is a Luxembourg registered managed investment scheme domiciled in Luxembourg, which invests in equity securities, having its principal place of business in Luxembourg.
- PGIM Wadhvani Keynes Systematic Absolute Return Fund became subsidiary of the Trust during the financial year. It is an Ireland registered managed investment scheme domiciled in Ireland, which invests in equity securities, having its principal place of business in Ireland.

##### (c) Responsible Entity

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

##### (d) Investment Manager

The Investment Manager of the Trusts is MIMGL, a wholly owned subsidiary of MGL.

##### (e) 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 Trusts directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Trusts to the directors as key management personnel.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (f) Key management personnel unitholdings

No key management personnel held units in IFP Global Franchise Fund II (Wholesale), Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged) at any time during the financial year (30 June 2021: Nil).

Following key management personnel and their close family members held units in Macquarie Professional Series Global Alternatives Fund 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 \$
C Berger	57,743	58,779	0.07	1,036	–	887
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 \$
C Berger	57,260	57,743	0.10	483	–	148

On 30 June 2022, C Berger holds 58,779 units (30 June 2021: 57,743 units) in the Trust (including units held through a discretionary trust), representing 0.07% (30 June 2021: 0.10%) share of units in the Trust.

##### (g) Key management personnel loan disclosures

The Trusts have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the financial year (30 June 2021: Nil).

##### (h) Responsible Entity fees and other transactions

###### • IFP Global Franchise Fund II (Wholesale)

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.23% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 7 August 2020 to 13 May 2021. For the financial period from 14 May 2021 to 30 June 2022, the total fee has been reduced to 1.13% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

###### • Macquarie Professional Series Global Alternatives Fund

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.58% 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 25 April 2021, the total fee was reduced to 1.38% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum. Effective 26 April 2021, the total fee was further reduced to 0.97% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (h) Responsible Entity fees and other transactions (continued)

- ***Walter Scott Global Equity No. 1 Fund***

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 0.98% 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 13 May 2021. For the financial period from 14 May 2021 to 30 June 2022, the total fee has been reduced to 0.75% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

A performance fee is also charged at 15.38% (30 June 2021: 15.38%) of the cumulative outperformance of the Trust (after the management fee and expenses, but before the deduction of performance fees) above the return of the MSCI World ex Australia Index, in Australian dollar unhedged with net dividends reinvested, subject to a 'high watermark', set out in the Trust's offer document. The fee is calculated on the net asset value of the Trust and is accrued daily and payable quarterly.

- ***Walter Scott Global Equity No. 2 Fund (Hedged)***

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.13% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 5 November 2020 to 12 December 2021. For the financial period from 13 December 2021 to 30 June 2022, the total fee has been reduced to 0.75% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

The proportion of the GST on the fees that can be recovered by the Trusts as RITCs or otherwise varies. The fee paid by the Trusts will equal the rate disclosed in the respective 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

#### 8 Related party disclosures (continued)

##### (h) 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 Trusts and the Responsible Entity were as follows:

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021
	\$	\$	\$	\$
Management fees charged to the Trusts by the Responsible Entity	(679,770)	(64,071)	(532,596)	(784,473)
Fee rebates from the Responsible Entity*	761,195	72,089	646,464	922,556
Management fees payable by the Trusts to the Responsible Entity as at the reporting date	68,959	15,376	56,716	40,607
Fee rebates receivable from the Responsible Entity as at the reporting date*	236,774	24,038	226,167	145,283

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	For the year 1 July 2021 to 30 June 2022	For the year 1 July 2020 to 30 June 2021	For the year 1 July 2021 to 30 June 2022	For the period 18 August 2020 to 30 June 2021
	\$	\$	\$	\$
Management fees charged to the Trusts by the Responsible Entity	(252,147)	(492,725)	(450,940)	(300,545)
Fee rebates from the Responsible Entity*	424,163	653,821	594,783	340,495
Management fees payable by the Trusts to the Responsible Entity as at the reporting date	17,450	17,032	26,583	39,669
Fee rebates receivable from the Responsible Entity as at the reporting date*	96,454	89,359	129,580	133,872

\*The Responsible Entity rebates management fees charged from other schemes managed by the Responsible Entity where the Trusts invest in those schemes.

##### (i) Related party unitholdings

Parties related to IFP Global Franchise Fund II (Wholesale), Walter Scott Global Equity No. 1 Fund and Walter Scott Global Equity No. 2 Fund (Hedged) (including MIMAL, its affiliates and other schemes managed by MIMAL or other wholly owned subsidiaries of MGL) held no units in the Trusts as at 30 June 2022 (30 June 2021: Nil).

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (i) Related party unitholdings (continued)

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

<b>30 June 2022 Unitholders</b>	<b>Number of units held opening (Units)</b>	<b>Number of units held closing (Units)</b>	<b>Interest held %</b>	<b>Number of units acquired (Units)</b>	<b>Number of units disposed (Units)</b>	<b>Distributions declared by the Trust \$</b>
Macquarie Asset Management Holdings Pty Limited	4,548,856	5,015,552	5.90	702,220	235,524	76,654
Macquarie Balanced Growth Fund	28,509,006	29,244,862	34.38	735,856	–	440,677
Macquarie Capital Stable Fund	337,533	346,245	0.41	8,712	–	5,217
Macquarie Diversified Growth Fund	1,254,398	1,286,776	1.51	32,378	–	19,390
Macquarie Real Return Opportunities Fund	–	38,482,153	45.24	38,789,562	307,409	426,092
MIMGL	1,051,965	–	–	4,486	1,056,451	4,293

<b>30 June 2021 Unitholders</b>	<b>Number of units held opening (Units)</b>	<b>Number of units held closing (Units)</b>	<b>Interest held %</b>	<b>Number of units acquired (Units)</b>	<b>Number of units disposed (Units)</b>	<b>Distributions declared by the Trust \$</b>
Macquarie Asset Management Holdings Pty Limited	–	4,548,856	8.39	4,548,856	–	11,720
Macquarie Balanced Growth Fund	27,944,963	28,509,006	52.61	564,043	–	73,243
Macquarie Capital Stable Fund	491,637	337,533	0.62	7,795	161,899	867
Macquarie Diversified Growth Fund	1,229,580	1,254,398	2.31	24,818	–	3,223
Macquarie Group Services Australia Pty Limited	4,938,231	–	–	18,967	4,957,198	–
Macquarie Real Return Opportunities Fund	5,628,776	–	–	70,511	5,699,287	–
MIMGL	1,048,972	1,051,965	1.94	2,993	–	2,703

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

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (j) Investments

The Trusts held investments in the following schemes which are subsidiaries of Trust or are managed by MIMAL or other wholly owned subsidiaries of MGL:

	IFP Global Franchise Fund II (Wholesale)					
	Fair value of investments		Interest held		Distribution income	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$
IFP Global Franchise Fund II	74,553,430	18,353,970	15.09	7.64	1,053,531	17,853

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

The Trust has a receivable of \$800,000 from the above related party in respect of the units redeemed as at 30 June 2022 (30 June 2021: \$29,000).

Macquarie Professional Series Global Alternatives Fund						
	Fair value of investments		Interest held		Distribution income	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$
Allspring (Lux)						
Worldwide Fund	17,556,203	—	100.00	—	45,962	—
Fort Global Trend Fund	20,528,892	—	100.00	—	82,205	—
P/E Global FX Alpha						
Fund	23,795,387	15,784,138	14.88	12.60	894,011	—
PGIM Wadhwani						
Keynes Systematic						
Absolute Return Fund	19,637,566	—	100.00	—	—	—
Winton Global Alpha						
Fund	—	18,283,274	—	4.18	—	—

There are no distributions receivable from the above related parties as at 30 June 2022 (30 June 2021: Nil).

The Trust has a receivable of \$9,000 from above related parties in respect of the units redeemed as at 30 June 2022 (30 June 2021: \$60,000).

Walter Scott Global Equity No. 1 Fund						
Walter Scott Global Equity Fund	Fair value of investments		Interest held		Distribution income	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$
	26,572,905	30,104,857	0.65	0.64	942,024	232,517

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

The Trust has a receivable of \$1,406,761 from the above related party in respect of the units redeemed as at 30 June 2022 (30 June 2021: \$1,199,000).

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 8 Related party disclosures (continued)

##### (j) Investments (continued)

	Walter Scott Global Equity No. 2 Fund (Hedged)					
	Fair value of investments		Interest held		Distribution income	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	\$	\$	%	%	\$	\$
Walter Scott Global Equity Fund (Hedged)	41,275,137	43,922,125	4.59	4.83	992,332	4,255,526

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

There are no amounts due from the above related party in respect of the units redeemed as at 30 June 2022 (30 June 2021: Nil).

##### (k) Other transactions within the Trusts

From time to time, the Trusts 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 Trusts 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 Trusts hold bank accounts with Macquarie Bank Limited ("MBL"), a wholly owned subsidiary of MGL. The Trusts 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.

#### 9 Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities

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

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000
Profit/(loss) for the year	(4,334)	1,137	3,976	(2,516)
Distribution income reinvested	(1,054)	(18)	(976)	—
Movement in amounts due from underlying unit trusts	(771)	(29)	51	262
Movement in fee rebates receivable	(213)	(24)	(81)	146
Movement in Responsible Entity fees payable	54	15	16	(48)
Movement in other payables	6	—	2	3
Movement in financial instruments held at fair value through profit or loss	(55,145)	(18,336)	(31,737)	17,801
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(61,457)</b>	<b>(17,255)</b>	<b>(28,749)</b>	<b>15,648</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 9 Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities (continued)

##### (a) Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities (continued)

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000	For the year 1 July 2021 to 30 June 2022 \$'000	For the period 18 August 2020 to 30 June 2021 \$'000
Profit/(loss) for the year	(2,643)	8,700	(6,745)	7,171
Distribution income reinvested	(942)	(233)	(992)	(4,256)
Movement in amounts due from underlying unit trusts	(208)	(944)	—	—
Movement in fee rebates receivable	(7)	222	4	(134)
Movement in other receivables	—	25	4	(4)
Movement in Responsible Entity fees payable	—	(69)	(13)	40
Movement in other payables	4	2	4	—
Movement in financial instruments held at fair value through profit or loss	4,474	76,983	3,639	(39,666)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>678</b>	<b>84,686</b>	<b>(4,099)</b>	<b>(36,849)</b>

##### (b) Non-cash financing activities

	IFP Global Franchise Fund II (Wholesale)		Macquarie Professional Series Global Alternatives Fund	
	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000
Reinvestment of unitholder distributions	92	2	902	81

	Walter Scott Global Equity No. 1 Fund		Walter Scott Global Equity No. 2 Fund (Hedged)	
	For the year 1 July 2021 to 30 June 2022 \$'000	For the year 1 July 2020 to 30 June 2021 \$'000	For the year 1 July 2021 to 30 June 2022 \$'000	For the period 18 August 2020 to 30 June 2021 \$'000
Reinvestment of unitholder distributions	1	—	813	4,360

#### 10 Events occurring after the reporting date

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

#### 11 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 6 to 39 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 Trusts' financial position as at 30 June 2022 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Trusts will be able to pay their 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

## Independent auditor's report

To the unitholders of:

- IFP Global Franchise Fund II (Wholesale)
- Macquarie Professional Series Global Alternatives Fund
- Walter Scott Global Equity No. 1 Fund
- Walter Scott Global Equity No. 2 Fund (Hedged)

referred to collectively as the Trusts.

### Opinion

We have audited the financial report of the Trusts, which comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statements 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 Trusts is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Trusts' financial position as at 30 June 2022 and of their 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 Trusts 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 Trusts' 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 Trusts or to cease operations, or have no realistic alternative but to do so.

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

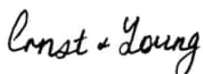
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Trusts' 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 Trusts' 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 Trusts 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