TR Example Unit Trust
ARSN 123456789
Interim report
for the half-year ended 31 December 2022

TR Example Unit Trust
ARSN 123456789
Interim report
for the half-year ended 31 December 2023

TR Example Unit Trust
ARSN 123 456 789
Interim report - 31 December 2023

Contents **Page**

TR Example Unit Trust
ARSN 123 456 789

Interim report - 31 December 2022

Contents **Page**

Directors' report

The directors of TR Example Investment Funds (a wholly owned subsidiary of TR Example Bank), the responsible entity of TR Example Unit Trust, present their report together with the financial statements of TR Example Unit Trust ('the Fund') for the half-year ended 31 December 2023.

Principal activities

The Fund invests in equities and equity derivatives, unlisted unit trusts, money market securities and debt securities in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

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

Directors

The following persons held office as directors of TR Example Investment Funds during the period or since the end of the period and up to the date of this report:

A Director (resigned 14 October 2022)
B Director
C Director
D Director (appointed 20 May 2023)

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

Review and results of operations

The broader share market, represented by the MSCI World Index returned xx.x% over the 2023 financial period. The Fund outperformed the benchmark over the period by x.x%. Key contributors to the performance over the 12 months to 31 December 2023 were overweight positions in ABC Limited and BCD Limited and an underweight position on CDE Limited. Key detractors from performance over the period were underweight positions in DEF Group and EFG Group.

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

	Consolidated entity Half-year ended	
	31 December 2023	31 December 2022
Total comprehensive income for the period ($'000)	**11,235**	(3,775)
Distribution paid and payable ($'000)	**1,050**	1,000
Distribution (cents per unit)	**12.841**	12.713

Significant changes in state of affairs

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- the operations of the Fund in future financial periods, or
- the results of those operations in future financial periods, or
- the state of affairs of the Fund in future financial periods.

Directors' report

The directors of TR Example Investment Funds (a wholly owned subsidiary of TR Example Bank), the responsible entity of TR Example Unit Trust, present their report together with the financial statements of TR Example Unit Trust ('the Fund') for the half-year ended 31 December 2022.

Principal activities

The Fund invests in equities and equity derivatives, unlisted unit trusts, money market securities and debt securities in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

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

Directors

The following persons held office as directors of TR Example Investment Funds during the period or since the end of the period and up to the date of this report:

A Director (resigned 14 October 2020)
B Director
C Director
D Director (appointed 20 May 2019)

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

Review and results of operations

The broader share market, represented by the MSCI World Index returned xx.x% over the 2021 financial period. The Fund outperformed the benchmark over the period by x.x%. Key contributors to the performance over the 12 months to 31 December 2022 were overweight positions in ABC Limited and BCD Limited and an underweight position on CDE Limited. Key detractors from performance over the period were underweight positions in DEF Group and EFG Group.

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

	Consolidated entity Half-year ended	
	31 December 2022	31 December 2021
Total comprehensive income for the period ($'000)	**112,350**	(37,750)
Distribution paid and payable ($'000)	**10,500**	10,000
Distribution (cents per unit)	**12.841**	12.713

Significant changes in state of affairs

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

Likely developments and expected results of operations

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

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

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of TR Example Investment Funds or the auditors of the Fund. So long as the officers of TR Example Investment Funds act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of Fund property during the period are disclosed in note 17 to the financial statements.

No fees were paid out of Fund property to the directors of the responsible entity during the period.

The number of interests in the Fund held by the responsible entity or its associates as at the end of the financial period are disclosed in note 17 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in note 11 to the financial statements.

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

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 .

B Director
Director

Sydney
14 September 2023

{The Auditor's independence declaration will be provided by your Auditor}

TR Example Unit Trust

ARSN 123456789

Interim report - 31 December 2023

Contents | **Page**

These financial statements cover TR Example Unit Trust as an individual entity and the consolidated entity consisting of TR Example Unit Trust and its subsidiaries.

The responsible entity of TR Example Unit Trust is TR Example Investment Funds (ABN 11 222 333 444). The responsible entity's registered office is:

350 Harbour Street
Sydney, NSW 2000

Consolidated statement of comprehensive income

	Consolidated entity Half-year ended	
	31 December 2023	31 December 2022

Directors' report (continued)
Matters subsequent to the end of the financial period (continued)

- the operations of the Fund in future financial periods, or

	Notes	$'000	$'000
Investment income			
Interest income from financial assets at amortised cost		**90**	49
Interest income from financial assets at fair value through profit or loss		**857**	500
Dividend income		**2,922**	950
Distribution income		**681**	100
Net gains/(losses) on financial instruments at fair value through profit or loss	6	**8,158**	(4,225)
Other operating income		**75**	5
Total net investment income/(loss)		**12,783**	(2,621)
Expenses			
Responsible entity fees	17	**803**	684
Custody fees		**18**	14
Remuneration of auditors	15	**55**	47
Transaction costs		**438**	200
Registry fees		**131**	128
Other operating expenses	16	**103**	81
Total operating expenses		**1,548**	1,154
Profit/(loss) for the period		**11,235**	(3,775)
Other comprehensive income		**-**	-
Total comprehensive income for the period		**11,235**	(3,775)

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

Consolidated balance sheet

	Notes	Consolidated entity As at 31 December 2023 $'000	30 June 2023 $'000

- the operations of the Fund in future financial periods, or
- the results of those operations in future financial periods, or
- the state of affairs of the Fund in future financial periods.

Likely developments and expected results of operations

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

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

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of TR Example Investment Funds or the auditors of the Fund. So long as the officers of TR Example Investment Funds act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of Fund property during the period are disclosed in note 17 to the financial statements.

No fees were paid out of Fund property to the directors of the responsible entity during the period.

The number of interests in the Fund held by the responsible entity or its associates as at the end of the financial period are disclosed in note 17 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in note 11 to the financial statements.

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

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 .

	Notes	$'000	$'000
Assets			
Cash and cash equivalents	13	**3,770**	1,325
Margin accounts		**1,420**	2,223
Due from brokers receivable for securities sold		**1,962**	984
Receivables		**251**	128
Other assets		**246**	320
Financial assets at fair value through profit or loss	7	**117,520**	90,716
Total assets		**125,169**	95,696
Liabilities			
Due to brokers payable for securities purchased		**817**	2,597
Distribution Payable		**50**	-
Payables		**76**	68
Other liabilities		**256**	144
Financial liabilities at fair value through profit or loss	8	**12,215**	9,738
Total liabilities		**13,414**	12,547
Net assets attributable to unitholders - Equity	11	**111,755**	83,149

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

		Consolidated entity Half-year ended	
		31 December 2023	31 December 2022
	Notes	**$'000**	$'000
Total equity at the beginning of the financial period		**83,149**	77,187

Directors' report (continued)

B Director
Director
Sydney
14 September 2020

Comprehensive income for the period			
Profit/(loss) for the period		**11,235**	(3,775)
Other comprehensive income		**-**	-
Total comprehensive income for the period	**11**	**11,235**	**(3,775)**
Transactions with unitholders	**11**		
Applications		**26,991**	12,902
Redemptions		**(8,670)**	(2,165)
Units issued upon reinvestment of distributions		**100**	-
Distributions paid and payable	12	**(1,050)**	(1,000)
Total transactions with unitholders		**17,371**	**9,737**
Total equity at the end of the financial period		**111,755**	**83,149**

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

Consolidated statement of cash flows

		Consolidated entity Half-year ended	
		31 December 2023	31 December 2022
	Notes	**$'000**	$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**9,323**	7,188

TR Example Unit Trust
31 December 2022

{The Auditor's independence declaration will be provided by your Auditor}

Purchase of financial instruments at fair value through profit or loss		**(28,175)**	(16,337)
Dividends received		**2,935**	664
Interest received		**756**	482
Distributions received		**711**	50
Other income received		**95**	17
Responsible entity's fees paid		**(533)**	(620)
Payment of other expenses		**(63)**	(346)
Net cash outflow from operating activities	14(a)	**(14,951)**	(8,902)
Cash flows from financing activities			
Proceeds from applications by unitholders		**26,991**	12,902
Payments for redemptions by unitholders		**(8,670)**	(2,165)
Distributions paid to unitholders		**(900)**	(1,000)
Net cash inflow from financing activities		**17,421**	9,737
Net increase in cash and cash equivalents		**2,470**	835
Cash and cash equivalents at the beginning of the period		**1,325**	481
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(25)**	9
Cash and cash equivalents at the end of the period	13	**3,770**	1,325
Non-cash financing activities	14(b)	**100**	-

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

TR Example Unit Trust
31 December 2022

TR Example Unit Trust

ARSN 123456789

Interim report - 31 December 2022

Contents **Page**

These financial statements cover TR Example Unit Trust as an individual entity and the consolidated entity consisting of TR Example Unit Trust and its subsidiaries.

The responsible entity of TR Example Unit Trust is TR Example Investment Funds (ABN 11 222 333 444). The responsible entity's registered office is:

Contents of the notes to the financial statements

Page

350 Harbour Street
Sydney, NSW 2000

TR Example Unit Trust
31 December 2022

Consolidated statement of comprehensive income

		Consolidated entity Half-year ended	
		31 December 2022	31 December 2021
	Notes	**$'000**	$'000
Investment income			
Interest income from financial assets at amortised cost		**900**	490
Interest income from financial assets at fair value through profit or loss		**8,570**	5,000
Dividend income		**29,220**	9,500
Distribution income		**6,810**	1,000
Net gains/(losses) on financial instruments at fair value through profit or loss	6	**81,580**	(42,250)
Other operating income		**750**	50
Total net investment income/(loss)		**127,830**	(26,210)
Expenses			
Responsible entity fees	17	**8,030**	6,840
Custody fees		**180**	140
Remuneration of auditors	15	**550**	470
Transaction costs		**4,380**	2,000
Registry fees		**1,310**	1,280
Other operating expenses	16	**1,030**	810
Total operating expenses		**15,480**	11,540
Profit/(loss) for the period		**112,350**	(37,750)
Other comprehensive income		**-**	-
Total comprehensive income for the period		**112,350**	(37,750)

TR Example Unit Trust
31 December 2023

1 General information

These financial statements cover TR Example Unit Trust ('the Fund') as an individual entity and consolidated entity consisting of TR Example Unit Trust and its subsidiaries. The Fund was constituted on 1 July 1998. The Fund will terminate on 30 June 2078 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The responsible entity of the Fund is TR Example Investment Funds (the 'responsible entity'). The responsible entity's registered office is 350 Harbour Street, Sydney, NSW 2000. The financial statements are presented in the Australian currency.

The Fund aims to generate significant medium-term capital growth within a rigorous risk management framework, in accordance with the objectives stated in the Product Disclosure Statement. It aims to achieve these objectives by trading a highly diversified portfolio of equity securities of Australian companies included in the ASX 300 index, equity securities listed on international exchanges, debt securities, related derivatives, and unlisted unit trusts.

The financial statements were authorised for issue by the directors of the responsible entity on 14 September 2023. The directors of the responsible entity have the power to amend and reissue the financial statements.

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 periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

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

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

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

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

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

Consolidated balance sheet

	Notes	Consolidated entity As at 31 December 2022 $'000	30 June 2022 $'000
Assets			
Cash and cash equivalents	13	**37,700**	13,250
Margin accounts		**14,200**	22,230
Due from brokers - receivable for securities sold		**19,620**	9,840
Receivables		**2,510**	1,280
Other assets		**2,460**	3,200
Financial assets at fair value through profit or loss	7	**1,175,200**	907,160
Total assets		**1,251,690**	956,960
Liabilities			
Due to brokers - payable for securities purchased		**8,170**	25,970
Distribution Payable		**500**	-
Payables		**760**	680
Other liabilities		**2,560**	1,440
Financial liabilities at fair value through profit or loss	8	**122,150**	97,380
Total liabilities		**134,140**	125,470
Net assets attributable to unitholders - Equity	11	**1,117,550**	831,490

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2023, and have not been early adopted in preparing these financial statements. These standards, amendments or interpretations are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(b) Financial asset and liabilities at fair value through profit or loss

(i) Classification

Assets

Consolidated statement of changes in equity

	Notes	Consolidated entity Half-year ended 31 December 2022 $'000	31 December 2021 $'000
Total equity at the beginning of the financial period		**831,490**	771,870
Comprehensive income for the period			
Profit/(loss) for the period		**112,350**	(37,750)
Other comprehensive income		**-**	-
Total comprehensive income for the period		**112,350**	**(37,750)**
Transactions with unitholders	11		
Applications		**269,910**	129,020
Redemptions		**(86,700)**	(21,650)
Units issued upon reinvestment of distributions		**1,000**	-
Distributions paid and payable	12	**(10,500)**	(10,000)
Total transactions with unitholders		**173,710**	**97,370**
Total equity at the end of the financial period		**1,117,550**	**831,490**

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

Summary of significant accounting policies (continued)

(b) Financial asset and liabilities at fair value through profit or loss (continued)

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Fund's policy is for the responsible entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the consolidated statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

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

Consolidated statement of cash flows

	Notes	Consolidated entity Half-year ended 31 December 2022 $'000	31 December 2021 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**93,230**	71,880
Purchase of financial instruments at fair value through profit or loss		**(281,750)**	(163,370)
Dividends received		**29,350**	6,640
Interest received		**7,810**	4,820
Distributions received		**7,110**	500
Other income received		**950**	170
Responsible entity's fees paid		**(5,330)**	(6,200)
Payment of other expenses		**(630)**	(3,460)
Net cash outflow from operating activities	14(a)	**(149,260)**	(89,020)
Cash flows from financing activities			
Proceeds from applications by unitholders		**269,910**	129,020
Payments for redemptions by unitholders		**(86,700)**	(21,650)
Distributions paid to unitholders		**(9,000)**	(10,000)
Net cash inflow from financing activities		**174,210**	97,370
Net increase in cash and cash equivalents		**24,950**	8,350
Cash and cash equivalents at the beginning of the period		**13,000**	4,810
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(250)**	90
Cash and cash equivalents at the end of the period	13	**37,700**	13,250
Non-cash financing activities	14(b)	**1,000**	-

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

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 to the financial statements for further information.

(d) Net assets attributable to unitholders

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

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

Contents of the notes to the financial statements

1 General information

These financial statements cover TR Example Unit Trust ('the Fund') as an individual entity and consolidated entity consisting of TR Example Unit Trust and its subsidiaries. The Fund was constituted on 1 July 1998. The Fund will terminate on 30 June 2078 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The responsible entity of the Fund is TR Example Investment Funds (the 'responsible entity'). The responsible entity's registered office is 350 Harbour Street, Sydney, NSW 2000. The financial statements are presented in the Australian currency.

The Fund aims to generate significant medium-term capital growth within a rigorous risk management framework, in accordance with the objectives stated in the Product Disclosure Statement. It aims to achieve these objectives by trading a highly diversified portfolio of equity securities of Australian companies included in the ASX 300 index, equity securities listed on international exchanges, debt securities, related derivatives, and unlisted unit trusts.

The financial statements were authorised for issue by the directors of the responsible entity on 14 September 2020. The directors of the responsible entity have the power to amend and reissue the financial statements.

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 periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

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

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

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

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are effective for annual periods beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. These standards, amendments or interpretations are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(d) Net assets attributable to unitholders (continued)

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

Under AASB 132 *Financial instruments: Presentation,* puttable financial instruments are classified as equity where certain strict criteria are met. The Fund classifies the net assets attributable to unitholders as equity as they satisfy the following criteria:

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

(e) Cash and cash equivalents

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

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

(f) Margin accounts

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

(g) Investment income

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

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

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

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

(h) Expenses

All expenses, including responsible entity's fees and custodian fees, are recognised in profit or loss on an accruals basis.

(i) Income tax

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

Summary of significant accounting policies (continued)

(b) Financial asset and liabilities at fair value through profit or loss

(i) Classification

Assets

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Fund's policy is for the responsible entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the consolidated statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

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

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 to the financial statements for further information.

(i) Income tax (continued)

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the consolidated statement of comprehensive income.

(j) Distributions

Distributions are payable as set out in the Fund's product disclosure statement and/or Fund's Constitution. Such distributions are recognised as payable when they are determined by the responsible entity of the Fund.

(k) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(m) Receivables

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

(m) Receivables (continued)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(n) Payables

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

(o) Applications and redemptions

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

(p) Goods and Services Tax (GST)

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

(q) Use of estimates

The consolidated entity and the Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

For more information on how fair value is calculated please see note 5 to the financial statements.

(r) Rounding of amounts

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

Financial instruments

This section of the notes provides detailed information regarding the Fund's financial instruments. It also discusses the Fund's exposure to various risks arising from these financial instruments, how they could affect the Funds' financial position and performance and how the entity manages these risks.

3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. On equities sold short, the maximum loss of capital can be unlimited. The maximum loss of capital on long futures and forward currency contracts is limited to the notional contract values of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors of the responsible entity. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Section (ii) below sets out how this component of price risk is managed and measured.

The responsible entity mitigates price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board. Between XX% and XXX% of the net assets attributable to unitholders are invested in equity securities and related derivatives.

The majority of the Fund's equity investments are publicly traded and are included in the ASX 200 Index, the NYSE International 100 Index or the FTSEurofirst 300 index. Compliance with the Fund's Product Disclosure Statement and the Fund's tracking error with reference to the MSCI World Index, which is the Fund's target benchmark, is reported to the Board on a monthly basis.

The Fund's policy also limits individual equity securities to no more than X% of net assets attributable to unitholders. The Fund had no concentrations in individual equity positions exceeding X% (2022: X%) of the net assets attributable to unitholders at 31 December 2023.

At 31 December, the fair value of equities and related derivatives exposed to price risk were as follows:

	31 December 2023	30 June 2023
	$'000	$'000
Derivatives assets	**700**	600
Equity securities	**73,662**	56,888
Unlisted unit trusts	**21,876**	16,942
Derivatives liabilities	**(705)**	(318)
Listed equity securities sold short	**(11,100)**	(9,200)
Total	**84,433**	64,912

At 31 December, the Fund’s overall exposure to price risk including the notional exposure on derivative contracts were as follows:

(a) Market risk (continued)

	31 December 2023	31 December 2022
	$'000	$'000
Net equity exposure from securities	**84,438**	64,360

Net notional exposure from futures contracts	**22,000**	16,250
Total exposure to price risk from equities and equity related derivatives	**106,438**	80,610

The below table is a summary of derivatives held which give rise to price risk:

Consolidated entity	**31 December 2023**		31 December 2022	
Derivative type	**Contract Value**	**Net Fair Value**	Contract Value	Net Fair Value
Futures	**$'000**	**$'000**	$'000	$'000
ASX 200	**15,000**	**(2)**	11,080	131
NYSE International 100 Index	**5,000**	**(2)**	7,554	90
FTSEuroFirst 300 Index	**2,000**	**(1)**	5,151	61
Total	**22,000**	**(5)**	23,785	282

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the MSCI World Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believe the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio, net of securities sold short.

Consolidated entity

	31 December 2023		31 December 2022	
	Fund's equity portfolio	**MSCI benchmark allocation**	Fund's equity portfolio	MSCI benchmark allocation
Sector	(%)	(%)	(%)	(%)
Telecommunications services	**2.9**	**3.1**	1.9	3.6
Materials	**1.9**	**3.6**	2.1	3.3
Utilities	**2.1**	**3.7**	3.1	3.6
Consumer discretionary	**9.9**	**8.4**	10.2	8.5
Industrials	**13.2**	**11.4**	10.5	11.5
Consumer staples	**9.8**	**11.6**	11.5	10.2
Health care	**12.8**	**12.9**	11.2	12.0
Energy	**14.1**	**13.8**	14.2	12.9
Financial services	**18.2**	**14.4**	18.1	17.6
Information technology	**15.1**	**17.1**	17.2	16.8
Total	**100.0**	**100.0**	100.0	100.0

(a) Market risk (continued)

During the half-year ended 31 December 2023, the Fund's exposure to various industry sectors was significantly different to the exposure as at 31 December 2022. The Fund moved to an overweight position in the industrials sector at 31 December 2023. This movement was at the expense primarily of the 'consumer staples' and 'information technology' sectors. Although 'consumer staples' and 'information technology' sectors were in an overweight position at 31 December 2023, these sectors moved to an underweight position at 31 December 2023.

The table in note 3(b) summarises the impact of an increase/decrease of the MSCI World Index on the Fund's net assets attributable to unitholders. The analysis is based on the assumptions that the index increased by x.x% (2022: x.x%) and decreased by xx% (2022: xx%) with all other variables held constant and that the fair value of the Fund's portfolio of equity securities and derivatives moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the MSCI World Index, having regard to the historical volatility of the index. The impact mainly arises from the reasonably possible change in the fair value of listed equities, unlisted unit trusts and equity derivatives.

The investment manager uses the MSCI World Index as a reference point in making investment decisions. However, the investment manager does not manage the Fund's investment strategy to track the MSCI World Index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 31 December and the historical correlation of the securities comprising the portfolio to the MSCI World Index. The composition of the Fund's investment portfolio and the correlation thereof to the MSCI World Index, is expected to change over time. The sensitivity analysis prepared as of 31 December is not necessarily indicative of the effect on the Fund's net assets attributable to unitholders of future movements in the level of the MSCI World Index.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below distinguishes between monetary and non-monetary items to satisfy the requirements in AASB 7.

The Fund’s policy is to economically hedge up to xx% of the direct foreign currency exposure on both monetary and non-monetary financial assets and liabilities. However, for accounting purposes, the Fund does not designate any derivatives in a hedging accounting relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

When the investment manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the investment manager factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non- Australian dollar-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests directly, even if those companies’ securities are denominated in Australian dollars, or invests indirectly through investment in Australian denominated funds that invests in non-Australian denominated securities. For that reason, the sensitivity analysis below may not necessarily indicate the total effect on the Fund’s net assets attributable to unitholders of future movements in foreign exchange rates.

Compliance with the Fund's policy is reported to the Board on a monthly basis.

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

Consolidated entity

	31 December 2023		30 June 2023	
	US Dollar	**Euro**	US Dollar	Euro
	A$'000	**A$'000**	A$'000	A$'000
Monetary				

(a) Market risk (continued)

Consolidated entity

	31 December 2023		30 June 2023	
	US Dollar	**Euro**	US Dollar	Euro
	A$'000	**A$'000**	A$'000	A$'000
Cash and cash equivalents	**77**	**-**	60	-
Margin accounts	**212**	**130**	190	126
Due from brokers - receivable for securities [illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

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

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

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

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Fund classifies the net assets attributable to unitholders as equity as they satisfy the following criteria:

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

(e) Cash and cash equivalents

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

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

(f) Margin accounts

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

(g) Investment income

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

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

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

sold	**220**	**224**	100	224
Non-monetary				
Financial assets held at fair value through profit or loss	**20,988**	**8,524**	7,389	15,605
Due to brokers - payable for securities purchased	**-**	**(167)**	(90)	(150)
Financial liabilities held at fair value through profit or loss	**(2,000)**	**(1,010)**	(1,015)	(905)
	19,497	**7,701**	6,634	14,900
Net increase/(decrease) in exposure from foreign currency forward contracts				
- Buy foreign currency	**9,000**	**-**	5,000	14,000
- Sell foreign currency	**(18,000)**	**-**	(10,000)	(28,000)
	10,497	**7,701**	1,634	900

In accordance with the Fund's policy, the investment manager monitors the Fund's foreign exchange exposure on a daily basis, and the Board of Directors of the responsible entity reviews it on a quarterly basis.

At the year ended 31 December 2023, the Fund's foreign exchange exposure was significantly different to the exposure as at 31 December 2022. The fund decreased it exposure to the Euro and increased its exposure to the US dollar based on changes in the investment strategy.

The table within note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by xx% (2022: xx%) against the US dollar and weakened and strengthened by xx% (2022: xx%) against the Euro, being the material foreign currencies to which the Fund is exposed.

This represents management's best estimate of a reasonably possible shift in the foreign exchange rates, having regard to historical volatility of those rates. This increase or decrease in the net assets attributable to unitholders arises mainly from a change in the fair value of US dollar equity and debt securities and Euro equities that are classified as financial assets and liabilities at fair value through profit or loss.

(iii) Cash flow and fair value interest rate risk

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

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

The Fund's policy is to hold between x% and x% of the net assets attributable to unitholders invested in debt securities. Compliance with the Fund's policy is reported to the Board on a monthly basis. The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes. At period end, the Fund held International interest rate futures, as disclosed in note 9 to the financial statements.

Financial risk management (continued)

(a) Market risk (continued)

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis within note 3(b) may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

The table below summarises the Fund's exposure to interest rate risk.

Consolidated entity

31 December 2023

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total

Summary of significant accounting policies (continued)

(g) Investment income (continued)

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

(h) Expenses

All expenses, including responsible entity's fees and custodian fees, are recognised in profit or loss on an accruals basis.

(i) Income tax

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

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the consolidated statement of comprehensive income.

(j) Distributions

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Cash and cash equivalents	**3,770**	**-**	**-**	**3,770**
Margin accounts	**1,420**	**-**	**-**	**1,420**
Receivables	**-**	**-**	**251**	**251**
Due from brokers - receivable for securities sold	**-**	**-**	**1,962**	**1,962**
Financial assets held at fair value through profit or loss	**-**	**20,382**	**97,138**	**117,520**
Financial liabilities				
Payables	**-**	**-**	**(76)**	**(76)**
Due to brokers - payable for securities purchased	**-**	**-**	**(817)**	**(817)**
Financial liabilities held at fair value through profit or loss	**-**	**-**	**(12,215)**	**(12,215)**
	5,190	**20,382**	**86,243**	**111,815**
Net increase/(decrease) in exposure from interest rate futures (notional principal)	**-**	**1,500**	**-**	**1,500**
Net Exposure	**5,190**	**21,882**	**86,243**	**113,315**

Consolidated entity

30 June 2023

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	1,325	-	-	1,325
Margin accounts	2,223	-	-	2,223
Receivables	-	-	128	128
Due from brokers - receivable for securities sold	-	-	984	984
Financial assets held at fair value through profit or loss	-	15,286	75,430	90,716

Financial risk management (continued)

(a) Market risk (continued)

Consolidated entity

30 June 2023

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	$'000	$'000	$'000	$'000
Financial liabilities				
Payables	-	-	(68)	(68)
Due to brokers - payable for securities purchased	-	-	(2,597)	(2,597)

Distributions are payable as set out in the Fund's product disclosure statement and/or Fund's Constitution. Such distributions are recognised as payable when they are determined by the responsible entity of the Fund.

(k) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Summary of significant accounting policies (continued)

(m) Receivables

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty

purchased	-	-	[illegible]	[illegible]
Financial liabilities held at fair value through profit or loss	-	-	(9,738)	(9,738)
	3,548	15,286	64,139	82,973
Net increase/(decrease) in exposure from interest rate futures (notional principal)	-	1,200	-	1,200
Net exposure	3,548	16,486	64,139	84,173

The table in section 3(b) summarises the impact of an increase/decrease of interest rates on the consolidated entity's and the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +25 basis points and -10 basis points (2022: +25/-50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

[Entities with loans that are referenced to a benchmark interest rate subject to IBOR reform may need to provide additional IBOR reform disclosures.]

(b) Summarised sensitivity analysis

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

	Impact on operating profit/Net assets attributable to unitholders							
	Price risk		**Interest rate risk**		**Foreign exchange risk**			
	-20%	**+15%**	**+25bps**	**-10bps**	**-15%**	**+15%**	**-15%**	**+15%**
	(MSCI Index)	**(MSCI Index)**			**USD**	**USD**	**Euro**	**Euro**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
31 December 2023	**(21,288)**	**15,966**	**(42)**	**83**	**46**	**(46)**	**(28)**	**28**

Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Impact on operating profit/Net assets attributable to unitholders							
	Price risk		Interest rate risk		Foreign exchange risk			
	-15%	+15%	+75bps	-75bps	-10%	+10%	-10%	+10%
	(MSCI Index)	(MSCI Index)			USD	USD	Euro	Euro
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2022	(9,695)	9,695	(97)	97	36	(36)	(1,380)	1,380

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the responsible entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

The Fund has changed certain assumptions in the current period. The assumption for the decrease in the MSCI index was changed from a decrease of xx% to and decrease of xx% due to increased volatility in the markets will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(n) Payables

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

(o) Applications and redemptions

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

(p) Goods and Services Tax (GST)

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

(q) Use of estimates

The consolidated entity and the Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

causing greater risk for price depressions. The assumptions for the interest rates were changed from +/- 75bps to +25bps and -50bps due to the current low interest environment and the Fund's project that interest rates will remain low in the short/medium term.

The Fund has not made any other changes to the methods or assumptions used to determine its sensitivity to the market risk compared to the comparative period.

(c) Credit risk

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

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

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis and the Board of Directors reviews it on a quarterly basis.

General approach

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considered both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2023 and 31 December 2022, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher and are either callable on demand or due to be settled within 1 week. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Debt securities

The Fund invests in debt securities which have an investment grade categorisation as rated by XYZ Rating Agency Limited. For unrated assets a rating is assigned by the responsible entity using an approach that is consistent with the approach used by rating agencies. All debt securities must have an investment rating of BBB or higher as determined by the XYZ Rating Agency Limited to be considered investment grade. An analysis of debt by rating is set out in the following table.

(c) Credit risk (continued)

Australian debt securities	**31 December 2023**	31 December 2022
	$'000	$'000
Rating		
AAA	**9,836**	6,833
AA	**3,184**	1,534
A	**1,789**	1,689
BBB	**395**	845
Total	**15,204**	10,901

International debt securities	31 December 2023 $'000	31 December 2022 $'000
Rating		
AAA	**4,524**	3,825
AA	**654**	560
Total	**5,178**	4,385

(ii) Derivative financial instruments

For derivative financial instruments, the responsible entity has established limits such that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty and all contracts are with counterparties included in the Board's Approved Counterparties list.

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

Exchange traded and OTC-cleared derivative contracts have reduced credit risk as the counterparty is a clearing house. The clearing house is responsible for managing the risk associated with the process on behalf of their members and ensuring it has adequate resources to fulfil its obligations when they become due. Clearing house members are required to provide initial margins in accordance with the exchange rules in the form of cash or securities, and provide daily variation margins in cash to cover changes in market values. Further, all members are generally required to contribute to (and guarantee) the compensation or reserve fund which may be used in the event of default and shortfall of a member.

(c) Credit risk (continued)

The Fund also restricts its exposure to credit losses on the trading of certain OTC derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However,
the credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on the net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to note 4 to the financial statements for further analysis of the Fund's master netting arrangements.

(iii) Settlement of securities transactions

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

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by the XYZ Rating Agency Limited) or higher.

(v) Other

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

The clearing and depository operations for the Fund's security transactions are mainly concentrated with one counterparty, namely Custodian Limited. Custodian Limited is a member of a major securities exchange, and at 31 December 2023 had a credit rating of AA (2022: AA). At 31 December 2023, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Custodian Limited.

(vi) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets.

(d) Liquidity risk

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

The Fund is exposed to daily cash redemptions of its units and daily margin calls on derivatives. Its policy is therefore to primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The majority of the Fund's listed securities are considered readily realisable, as they are listed on the Australian Stock Exchange, the New York Stock Exchange or the Frankfurt Stock Exchange.

The Fund may periodically invest in derivative contracts traded over the counter and unlisted equity investments that are not traded in an active market. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. The Fund's policy is to hold at least 60% of the net assets attributable to unitholders in liquid investments. The investment manager monitors liquidity on a daily basis.

In order to manage the Fund's overall liquidity, the responsible entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during 2023 and 2022.

Compliance with the Fund's policy is reported to the Board on a monthly basis.

Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at consolidated balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Net assets attributable to unitholders is not considered a financial liability but has been included below as units are redeemed on demand at the unitholder's option12. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

Consolidated entity

At 31 December 2023

	Less than 1 month	1-6 months	6-12 months	1-2 years
	$'000	$'000	$'000	$'000
Financial liabilities at fair value through profit or loss	**11,803**	**412**	**-**	**-**
Due to brokers	**817**	**-**	**-**	**-**
Payables	**76**	**-**	**-**	**-**
Net assets attributable to unitholders	**111,755**			

Net assets attributable to unitholders	**111,755**	**-**	**-**	**-**
Contractual cash flows (excluding derivatives)	**124,451**	**412**	**-**	**-**

Consolidated entity

At 30 June 2023

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000
Financial liabilities at fair value through profit or loss	9,738	-	-	-
Due to brokers	2,597	-	-	-
Payables	68	-	-	-
Net assets attributable to unitholders	83,149	-	-	-
Contractual cash flows (excluding derivatives)	95,552	-	-	-

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

(q) Use of estimates (continued)

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

For more information on how fair value is calculated please see note 5 to the financial statements.

(r) Rounding of amounts

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

(d) Liquidity risk (continued)

Consolidated entity

At 31 December 2023

	Less than 1 month $'000	**1-6 months $'000**	**6-12 months $'000**	**1-2 years $'000**
Net settled derivatives				
Australian Share Price Index Futures	**(135)**	**(225)**	**-**	**-**
International interest rate futures	**(213)**	**(142)**	**-**	**-**

Consolidated entity

At 30 June 2023

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000
Net settled derivatives				
Australian Share Price Index Futures	(53)	(10)	-	-
International interest rate futures	(165)	(55)	-	-

(iii) Maturities of gross settled derivative financial instruments

The table below analyses the Fund's gross settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Consolidated entity

At 31 December 2023

	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	$'000	$'000	$'000	$'000	$'000
Foreign currency forward contracts					
Inflows	**7,000**	**1,500**	**500**	**-**	**9,000**
(Outflows)	**(6,745)**	**(1,080)**	**(330)**	**-**	**(8,155)**

Consolidated entity

At 30 June 2023

	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	$'000	$'000	$'000	$'000	$'000
Foreign currency forward contracts					
Inflows	3,000	1,000	-	-	4,000
(Outflows)	(2,250)	(750)	-	-	(3,000)

Financial instruments

This section of the notes provides detailed information regarding the Fund's financial instruments. It also discusses the Fund's exposure to various risks arising from these financial instruments, how they could affect the Funds' financial position and performance and how the entity manages these risks.

TR Example Unit Trust
31 December 2022

3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. On equities sold short, the maximum loss of capital can be unlimited. The maximum loss of capital on long futures and forward currency contracts is limited to the notional contract values of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors of the responsible entity. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Section (ii) below sets out how this component of price risk is managed and measured.

The responsible entity mitigates price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board. Between XX% and XXX% of the net assets attributable to unitholders are invested in equity securities and related derivatives.

The majority of the Fund's equity investments are publicly traded and are included in the ASX 200 Index, the NYSE International 100 Index or the FTSEurofirst 300 index. Compliance with the Fund's Product Disclosure Statement and the Fund's tracking error with reference to the MSCI World Index, which is the Fund's target benchmark, is reported to the Board on a monthly basis.

The Fund's policy also limits individual equity securities to no more than X% of net assets attributable to unitholders. The Fund had no concentrations in individual equity positions exceeding X% (2021: X%) of the net assets attributable to unitholders at 31 December 2022.

At 31 December, the fair value of equities and related derivatives exposed to price risk were as follows:

Financial risk management (continued)

(a) Market risk (continued)

	31 December 2022 $'000	30 June 2022 $'000
Derivatives assets	**7,000**	6,000
Equity securities	**736,620**	568,880
Unlisted unit trusts	**218,760**	169,420
Derivatives liabilities	**(7,050)**	(3,180)
Listed equity securities sold short	**(111,000)**	(92,000)
Total	**844,330**	649,120

At 31 December, the Fund’s overall exposure to price risk including the notional exposure on derivative contracts were as follows:

	31 December 2022 $'000	31 December 2021 $'000
Net equity exposure from securities	**844,380**	643,600
Net notional exposure from futures contracts	**220,000**	162,500
Total exposure to price risk from equities and equity related derivatives	**1,064,380**	806,100

The below table is a summary of derivatives held which give rise to price risk:

Consolidated entity	**31 December 2022**		31 December 2021	
Derivative type	**Contract Value**	**Net Fair Value**	Contract Value	Net Fair Value
Futures	**$'000**	**$'000**	$'000	$'000
ASX 200	**150,000**	**(2)**	110,800	131
NYSE International 100 Index	**50,000**	**(2)**	75,540	90

FTSEuroFirst 300 Index	**20,000**	**(1)**	51,510	61
Total	**220,000**	**(5)**	237,850	282

Derivative type

Futures

Total

Financial risk management (continued)

(a) Market risk (continued)

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the MSCI World Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believe the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio, net of securities sold short.

Consolidated entity

	31 December 2022		31 December 2021	
	Fund's equity portfolio	**MSCI benchmark allocation**	Fund's equity portfolio	MSCI benchmark allocation
Sector	(%)	(%)	(%)	(%)
Telecommunications services	**2.9**	**3.1**	1.9	3.6
Materials	**1.9**	**3.6**	2.1	3.3
Utilities	**2.1**	**3.7**	3.1	3.6
Consumer discretionary	**9.9**	**8.4**	10.2	8.5
Industrials	**13.2**	**11.4**	10.5	11.5
Consumer staples	**9.8**	**11.6**	11.5	10.2
Health care	**12.8**	**12.9**	11.2	12.0
Energy	**14.1**	**13.8**	14.2	12.9
Financial services	**18.2**	**14.4**	18.1	17.6
Information technology	**15.1**	**17.1**	17.2	16.8
Total	**100.0**	**100.0**	100.0	100.0

Sector

Total

During the half-year ended 31 December 2022, the Fund's exposure to various industry sectors was significantly different to the exposure as at 31 December 2021. The Fund moved to an overweight position in the industrials sector at 31 December 2022. This movement was at the expense primarily of the 'consumer staples' and 'information technology' sectors. Although 'consumer staples' and 'information technology' sectors were in an overweight position at 31 December 2022, these sectors moved to an underweight position at 31 December 2022.

The table in note 3(b) summarises the impact of an increase/decrease of the MSCI World Index on the Fund's net assets attributable to unitholders. The analysis is based on the assumptions that the index increased by x.x% (2021: x.x%) and decreased by xx% (2021: xx%) with all other variables held constant and that the fair value of the Fund's

Financial risk management (continued)

(d) Liquidity risk (continued)

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when portfolio of equity securities and derivatives moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the MSCI World Index, having regard to the historical volatility of the index. The impact mainly arises from the reasonably possible change in the fair value of listed equities, unlisted unit trusts and equity derivatives.

Financial risk management (continued)

(a) Market risk (continued)

The investment manager uses the MSCI World Index as a reference point in making investment decisions. However, the investment manager does not manage the Fund's investment strategy to track the MSCI World Index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 31 December and the historical correlation of the securities comprising the portfolio to the MSCI World Index. The composition of the Fund's investment portfolio and the correlation thereof to the MSCI World Index, is expected to change over time. The sensitivity analysis prepared as of 31 December is not necessarily indicative of the effect on the Fund's net assets attributable to unitholders of future movements in the level of the MSCI World Index.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below distinguishes between monetary and non-monetary items to satisfy the requirements in AASB 7.

The Fund's policy is to economically hedge up to xx% of the direct foreign currency exposure on both monetary and non-monetary financial assets and liabilities. However, for accounting purposes, the Fund does not designate any derivatives in a hedging accounting relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

When the investment manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the investment manager factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non- Australian dollar-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests directly, even if those companies' securities are denominated in Australian dollars, or invests indirectly through investment in Australian denominated funds that invests in non-Australian denominated securities. For that reason, the sensitivity analysis below may not necessarily indicate the total effect on the Fund's net assets attributable to unitholders of future movements in foreign exchange rates.

Compliance with the Fund's policy is reported to the Board on a monthly basis.

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

Consolidated entity

	31 December 2022		30 June 2022	
	US Dollar	**Euro**	US Dollar	Euro
	A$'000	**A$'000**	A$'000	A$'000
Monetary				
Cash and cash equivalents	**770**	**-**	600	-
Margin accounts	**2,120**	**1,300**	1,900	1,260
Due from brokers - receivable for securities sold	**2,200**	**2,240**	1,000	2,240
Non-monetary				

there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the consolidated balance sheet are disclosed in the first three columns of the tables below.

Consolidated entity

2023		**Effects of offsetting on the balance sheet**	**Related amounts not offset**		
	Gross amounts	**Net amount presented in the balance sheet**	**Amounts subject to master netting arrangements**	**Cash collateral**	**Net amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Financial asset					
Margin accounts	**1,420**	**1,420**	**(400)**	**(50)**	**970**
Derivative financial instruments (i)	**1,600**	**1,600**	**(610)**	**(100)**	**890**
Total	**3,020**	**3,020**	**(1,010)**	**(150)**	**1,860**
Financial liabilities					
Derivative financial instruments (i)	**1,115**	**1,115**	**(610)**	**(305)**	**200**
Total	**1,115**	**1,115**	**(610)**	**(305)**	**200**

Consolidated entity

2022		Effects of offsetting on the balance sheet		Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to master netting arrangements	Cash collateral	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000
Financial asset						
Margin accounts	**2,223**	**-**	**2,223**	**(400)**	**-**	**1,823**
Derivative financial instruments (i)	**1,600**	**-**	**1,600**	**(538)**	**-**	**1,062**
Total	**3,823**	**-**	**3,823**	**(938)**	**-**	**2,885**

Offsetting financial assets and financial liabilities (continued)

Consolidated entity

2022		Effects of offsetting on the balance sheet		Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to master netting arrangements	Cash collateral	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000

Financial assets held at fair value through profit or loss	**209,880**	**85,240**	73,890	156,050
Due to brokers - payable for securities purchased	**-**	**(1,670)**	(900)	(1,500)
Financial liabilities held at fair value through profit or loss	**(20,000)**	**(10,100)**	(10,150)	(9,050)

Financial risk management (continued)

(a) Market risk (continued)

Consolidated entity

	31 December 2022		30 June 2022	
	US Dollar	**Euro**	US Dollar	Euro
	A$'000	**A$'000**	A$'000	A$'000
	194,970	**77,010**	66,340	149,000
Net increase/(decrease) in exposure from foreign currency forward contracts				
- Buy foreign currency	**90,000**	**-**	50,000	140,000
- Sell foreign currency	**(180,000)**	**-**	(100,000)	(280,000)
	104,970	**77,010**	16,340	9,000

Monetary

Non-monetary

Net increase/(decrease) in exposure from foreign currency forward contracts

In accordance with the Fund's policy, the investment manager monitors the Fund's foreign exchange exposure on a daily basis, and the Board of Directors of the responsible entity reviews it on a quarterly basis.

At the year ended 31 December 2022, the Fund's foreign exchange exposure was significantly different to the exposure as at 31 December 2021. The fund decreased it exposure to the Euro and increased its exposure to the US dollar based on changes in the investment strategy.

The table within note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by xx% (2021: xx%) against the US dollar and weakened and strengthened by xx% (2021: xx%) against the Euro, being the material foreign currencies to which the Fund is exposed.

This represents management's best estimate of a reasonably possible shift in the foreign exchange rates, having regard to historical volatility of those rates. This increase or decrease in the net assets attributable to unitholders arises mainly from a change in the fair value of US dollar equity and debt securities and Euro equities that are classified as financial assets and liabilities at fair value through profit or loss.

(iii) Cash flow and fair value interest rate risk

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

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

The Fund's policy is to hold between x% and x% of the net assets attributable to unitholders invested in debt securities. Compliance with the Fund's policy is reported to the Board on a monthly basis. The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes. At period end, the Fund held International interest rate futures, as disclosed in note 9 to the financial statements.

Financial liabilities						
Derivative financial instruments (i)	**538**	**-**	**538**	**(538)**	**-**	**-**
Total	**538**	**-**	**538**	**(538)**	**-**	**-**

(i) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the consolidated balance sheet, but have been presented separately in the above table.

5 Fair value measurement

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

- Financial assets / liabilities at fair value through profit or loss (FVPL) (see note 7 and 8)
- Derivative financial instruments (see note 9).

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

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

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

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

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

Financial risk management (continued)

(a) Market risk (continued)

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis within note 3(b) may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

The table below summarises the Fund's exposure to interest rate risk.

Consolidated entity

31 December 2022

	Floating interest rate $'000	Fixed interest rate $'000	Non- interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	37,700	-	-	37,700
Margin accounts	14,200	-	-	14,200
Receivables	-	-	2,510	2,510
Due from brokers - receivable for securities sold	-	-	19,620	19,620
Financial assets held at fair value through profit or loss	-	203,820	971,380	1,175,200
Financial liabilities				
Payables	-	-	(760)	(760)
Due to brokers - payable for securities purchased	-	-	(8,170)	(8,170)
Financial liabilities held at fair value through profit or loss	-	-	(122,150)	(122,150)
	51,900	203,820	862,430	1,118,150
Net increase/(decrease) in exposure from interest rate futures (notional principal)	-	15,000	-	15,000
Net Exposure	51,900	218,820	862,430	1,133,150

Consolidated entity

30 June 2022

	Floating interest rate $'000	Fixed interest rate $'000	Non- interest bearing $'000	Total $'000

Financial risk management (continued)

(a) Market risk (continued)

Consolidated entity

30 June 2022

	Floating interest rate $'000	Fixed interest rate $'000	Non- interest bearing $'000	Total $'000
Financial assets				
Cash and cash equivalents	13,250	-	-	13,250
Margin accounts	22,230	-	-	22,230
Receivables	-	-	1,280	1,280
Due from brokers - receivable for securities sold	-	-	9,840	9,840
Financial assets held at fair value through profit or loss	-	152,860	754,300	907,160
Financial liabilities				
Payables	-	-	(680)	(680)
Due to brokers - payable for securities purchased	-	-	(25,970)	(25,970)
Financial liabilities held at fair value through profit or loss	-	-	(97,380)	(97,380)
	35,480	152,860	641,390	829,730
Net increase/(decrease) in exposure from interest rate futures (notional principal)	-	12,000	-	12,000
Net exposure	35,480	164,860	641,390	841,730

31 December 2022

30 June 2022

Financial assets

Financial liabilities

Net exposure

(a) Market risk (continued)

The table in section 3(b) summarises the impact of an increase/decrease of interest rates on the consolidated entity's and the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +25 basis points and -10 basis points (2021: +25/-50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

[Entities with loans that are referenced to a benchmark interest rate subject to IBOR reform may need to provide additional IBOR reform disclosures.]

(b) Summarised sensitivity analysis

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

	Impact on operating profit/Net assets attributable to unitholders							
	Price risk		Interest rate risk		Foreign exchange risk			
	-20% (MSCI Index)	+15% (MSCI Index)	+25bps	-10bps	-15% USD	+15% USD	-15% Euro	+15% Euro
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2022	**212,880**	**159,660**	**(420)**	**830**	**460**	**(460)**	**(280)**	**280**

	Impact on operating profit/Net assets attributable to unitholders							
	Price risk		Interest rate risk		Foreign exchange risk			
	-15% (MSCI Index)	+15% (MSCI Index)	+75bps	-75bps	-10% USD	+10% USD	-10% Euro	+10% Euro
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2021	(96,950)	96,950	(970)	970	360	(360)	(13,800)	13,800

31 December 2022

31 December 2021

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the responsible entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

The Fund has changed certain assumptions in the current period. The assumption for the decrease in the MSCI index was changed from a decrease of xx% to and decrease of xx% due to increased volatility in the markets causing greater risk for price depressions. The assumptions for the interest rates were changed from +/- 75bps to +25bps and -50bps due to the current low interest environment and the Fund's project that interest rates will remain low in the short/medium term.

(ii) Fair value in an inactive or unquoted market (level 2)

The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques using observable input used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- Foreign currency forwards are valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date.
- Interest rate swaps are valued at the present value of the estimated future cash flows based on observable yield curves
- Investments in unlisted unit trusts are valued at the mid-price as established by the underlying trust's Responsible Entity .
- Securities which are not listed on a securities exchange or are thinly traded are valued using quotes from brokers.

(iii) Fair value in an inactive or unquoted market (level 3)

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

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

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

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

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as; liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Recognised fair value measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 31 December 2023 and 31 December 2022.

Consolidated entity At 31 December 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000

(b) Summarised sensitivity analysis (continued)

The Fund has not made any other changes to the methods or assumptions used to determine its sensitivity to the market risk compared to the comparative period.

(c) Credit risk

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

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

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis and the Board of Directors reviews it on a quarterly basis.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considered both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2022 and 31 December 2021, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher and are either callable on demand or due to be settled within 1 week. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Debt securities

The Fund invests in debt securities which have an investment grade categorisation as rated by XYZ Rating Agency Limited. For unrated assets a rating is assigned by the responsible entity using an approach that is consistent with the approach used by rating agencies. All debt securities must have an investment rating of BBB or higher as determined by the XYZ Rating Agency Limited to be considered investment grade. An analysis of debt by rating is set out in the following table.

Australian debt securities	**31 December 2022**	31 December 2021
	$'000	$'000
Rating		
AAA	**98,360**	68,330
AA	**31,840**	15,340
A	**17,890**	16,890
BBB	**3,950**	8,450
Total	**152,040**	109,010

(c) Credit risk (continued)

International debt securities	**31 December 2022**	31 December 2021
	$'000	$'000

Financial assets at fair value through profit and loss

Consolidated entity At 31 December 2023	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Derivatives				
Foreign currency forward contracts	**255**	**590**	**-**	**845**
Australian share price index futures	**345**	**-**	**-**	**345**
International share price index futures	**-**	**355**	**-**	**355**
International interest rate futures	**-**	**55**	**-**	**55**
Equity securities				
Australian equity securities	**55,003**	**-**	**-**	**55,003**
International equity securities	**18,659**	**-**	**-**	**18,659**
Debt securities				
Australian fixed interest securities	**11,781**	**3,423**	**-**	**15,204**
International fixed interest securities	**938**	**2,559**	**1,681**	**5,178**
Unlisted unit trusts				
Units in Australian property trusts	**1,678**	**9,010**	**-**	**10,688**
Units in Australian equity trusts	**5,454**	**469**	**-**	**5,923**
Units in International equity trusts	**2,423**	**2,842**	**-**	**5,265**
Total	**96,536**	**19,303**	**1,681**	**117,520**
Financial liabilities at fair value through profit and loss				
Listed equity securities sold short				
Australian equity securities	**8,500**	**-**	**-**	**8,500**
International equity securities	**2,600**	**-**	**-**	**2,600**
Derivatives				
Australian share price index futures	**705**	**-**	**-**	**705**
International interest rate futures	**410**	**-**	**-**	**410**
Total	**12,215**	**-**	**-**	**12,215**

Consolidated entity At 30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000

Financial assets at fair value through profit and loss

	$'000	$'000
Rating		
AAA	**45,240**	38,250
AA	**6,540**	5,600
Total	**51,780**	43,850

(ii) Derivative financial instruments

For derivative financial instruments, the responsible entity has established limits such that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty and all contracts are with counterparties included in the Board's Approved Counterparties list.

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

Exchange traded and OTC-cleared derivative contracts have reduced credit risk as the counterparty is a clearing house. The clearing house is responsible for managing the risk associated with the process on behalf of their members and ensuring it has adequate resources to fulfil its obligations when they become due. Clearing house members are required to provide initial margins in accordance with the exchange rules in the form of cash or securities, and provide daily variation margins in cash to cover changes in market values. Further, all members are generally required to contribute to (and guarantee) the compensation or reserve fund which may be used in the event of default and shortfall of a member.

The Fund also restricts its exposure to credit losses on the trading of certain OTC derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However,
the credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on the net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to note 4 to the financial statements for further analysis of the Fund's master netting arrangements.

(iii) Settlement of securities transactions

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

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by the XYZ Rating Agency Limited) or higher.

Financial risk management (continued)

(c) Credit risk (continued)

(v) Other

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

The clearing and depository operations for the Fund's security transactions are mainly concentrated with one counterparty, namely Custodian Limited. Custodian Limited is a member of a major securities exchange, and at 31 December 2022 had a credit rating of AA (2021: AA). At 31 December 2022, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Custodian Limited.

(vi) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets.

(d) **Liquidity risk**

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

The Fund is exposed to daily cash redemptions of its units and daily margin calls on derivatives. Its policy is therefore to primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The majority of the Fund's listed securities are considered readily realisable, as they are listed on the Australian Stock Exchange, the New York Stock Exchange or the Frankfurt Stock Exchange.

The Fund may periodically invest in derivative contracts traded over the counter and unlisted equity investments that are not traded in an active market. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. The Fund's policy is to hold at least 60% of the net assets attributable to unitholders in liquid investments. The investment manager monitors liquidity on a daily basis.

In order to manage the Fund's overall liquidity, the responsible entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during 2020 and 2021.

Compliance with the Fund's policy is reported to the Board on a monthly basis.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at consolidated balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Net assets attributable to unitholders is not considered a financial liability but has been included below as units are redeemed on demand at the unitholder's option12. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

Fair value measurement (continued)

Consolidated entity At 30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivatives				
Foreign currency forward contracts	805	195	-	1,000
Australian share price index futures	255	-	-	255
International share price index futures	-	345	-	345
International interest rate futures	-	-	-	-
Equity securities				
Australian equity securities	39,808	-	-	39,808
International equity securities	17,080	-	-	17,080
Debt securities				
Australian fixed interest securities	2,180	8,721	-	10,901
International fixed interest securities	926	3,092	367	4,385
Unlisted unit trusts				
Units in Australian property trusts	684	7,263	-	7,947
Units in Australian equity trusts	855	6,956	-	7,811
Units in International equity trusts	216	968	-	1,184
Total	62,809	27,540	367	90,716
Financial liabilities at fair value through profit and loss				
Listed equity securities sold short				
Australian equity securities	7,500	-	-	7,500
International equity securities	1,700	-	-	1,700
Derivatives				
Australian share price index futures	318	-	-	318
International interest rate futures	220	-	-	220
Total	9,738	-	-	9,738

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels

The following table presents the transfers between levels for the consolidated entity and the Fund for the half-year ended 31 December 2023 and 31 December 2022.

Consolidated entity

At 31 December 2023

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Transfers between levels 1 and 2:			
Debt securities	**1,012**	**(1,012)**	**-**
Transfers between levels 2 and 3:			
Debt securities	**-**	**(600)**	**600**

Consolidated entity

At 30 June 2023

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Transfers between levels 2 and 3:			
Debt securities	-	(377)	377

The debt securities transferred into level 1 relate to non-US sovereign obligations for which significant trading activity existed on 31 December 2023 but which were only thinly traded on and around 31 December 2022.

The transfer from level 2 to level 3 relate to corporate debt securities whose issuers experienced significant reductions in trading activity and significant credit rating downgrades during the period. The valuation inputs for these securities were not therefore based on market observable inputs which resulted in the reclassification to level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2023 by class of financial instrument.

Consolidated entity
At 31 December 2023

	Debt securities $'000
Opening balance	**367**
Purchases	**1,304**
Sales	**(467)**
Transfers into/(out) from level 3	**600**
Gains and losses recognised in profit or loss	**(123)**
Closing balance	**1,681**
*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period	**(100)**

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2022 by class of financial instrument.

(d) Liquidity risk (continued)

Consolidated entity

At 31 December 2022

	Less than 1 month $'000	**1-6 months $'000**	**6-12 months $'000**	**1-2 years $'000**
Financial liabilities at fair value through profit or loss	**118,030**	**4,120**	**-**	**-**
Due to brokers	**8,170**	**-**	**-**	**-**
Payables	**760**	**-**	**-**	**-**
Net assets attributable to unitholders	**1,117,550**	**-**	**-**	**-**
Contractual cash flows (excluding derivatives)	**1,244,510**	**4,120**	**-**	**-**

Consolidated entity

At 30 June 2022

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000
Financial liabilities at fair value through profit or loss	97,380	-	-	-
Due to brokers	25,970	-	-	-
Payables	680	-	-	-
Net assets attributable to unitholders	831,490	-	-	-
Contractual cash flows (excluding derivatives)	955,520	-	-	-

At 31 December 2022

Contractual cash flows (excluding derivatives)

At 30 June 2022

Contractual cash flows (excluding derivatives)

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Fair value measurements using significant unobservable inputs (level 3) (continued)

Consolidated entity
At 30 June 2023

	Debt securities $'000
Opening balance	-
Purchases	-
Sales	-
Transfers into/(out) from level 3	377
Gains and losses recognised in profit or loss	(10)
Closing balance	367
*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period	(10)

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (i) and (ii) above for the valuation techniques adopted.

Description	**Fair value at 31 December 2023 $'000**	**Unobservable inputs***	**Range of inputs (probability-weighted average)**	**Relationship of unobservable inputs to fair value**
Debt securities	x,xxx	Discount Rate	x.x% - xx% (x.x%)	Increased/(decreased) discount rate (+/-xx basis points (bps)) would (decrease)/increase fair value by $xxx,xxx

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Description	Fair value at 31 December 2022 $'000	Unobservable inputs*	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Debt securities	xxx	Discount Rate	x.x% - x% (x.x%)	Increased/(decreased) discount rate (+/-xx basis points (bps)) would (decrease)/increase fair value by $xxx,xxx

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

The Responsible Entity has a team that performs detailed monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held at least once every six months, in line with the Fund's half yearly reporting dates.

Changes in level 2 and 3 fair values are analysed at each reporting date during the half-yearly valuation discussion between the Chief Financial Officer, Audit Committee and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Valuation methodology of Level 3 Investments

Fair value measurements using significant unobservable inputs (level 3) (continued)

Debt securities were valued using a discounted cash flow method. The key assumption in this valuation is the discount rate which is determined with reference to comparable debt securities.

Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Consolidated entity Half-year ended	
	31 December 2023	31 December 2022
	$'000	$'000
Net gain/(loss) on financial liabilities at fair value through profit or loss	**8,158**	(4,225)

7 Financial assets at fair value through profit or loss

	31 December 2023 Fair value	30 June 2023 Fair value
	$'000	$'000
Financial Assets at fair value through profit or loss		
Derivatives (Note 9)	**1,600**	1,600
Equity securities	**73,662**	56,888
Fixed interest securities	**20,382**	15,286
Unlisted unit trusts	**21,876**	16,942
Total financial assets at fair value through profit or loss	**117,520**	90,716
Comprising:		
Derivatives		
Foreign currency forward contracts	**845**	1,000
Australian share price index futures	**345**	255
International share price index futures	**355**	345
International interest rate futures	**55**	-
Total derivatives	**1,600**	1,600
Equity securities		
Australian equity securities	**55,003**	39,808
International equity securities	**18,659**	17,080
Total equity securities	**73,662**	56,888

Financial assets at fair value through profit or loss (continued)

31 December 30 June

Financial risk management (continued)

(d) Liquidity risk (continued)

Consolidated entity

At 31 December 2022

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000
Net settled derivatives				
Australian Share Price Index Futures	**(1,350)**	**(2,250)**	**-**	**-**

Consolidated entity

At 30 June 2022

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000
Net settled derivatives				
Australian Share Price Index Futures	(530)	(100)	-	-

At 31 December 2022

Net settled derivatives

At 30 June 2022

Net settled derivatives

(iii) Maturities of gross settled derivative financial instruments

The table below analyses the Fund's gross settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Consolidated entity

At 31 December 2022

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Foreign currency forward contracts					
Inflows	**70,000**	**15,000**	**5,000**	**-**	**90,000**
(Outflows)	**(67,450)**	**(10,800)**	**(3,300)**	**-**	**(81,550)**
International interest rate futures					

	2023 Fair value $'000	2023 Fair value $'000
Fixed interest securities		
Australian fixed interest securities	**15,204**	10,901
International fixed interest securities	**5,178**	4,385
Total fixed interest securities	**20,382**	15,286
Unlisted unit trusts		
Units in Australian property trusts	**10,688**	7,947
Units in Australian equity trusts	**5,923**	7,811
Units in International equity trusts	**5,265**	1,184
Total unlisted unit trusts	**21,876**	16,942
Total financial assets at fair value through profit or loss	**117,520**	90,716

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

8 Financial liabilities at fair value through profit or loss

	31 December 2023 Fair value $'000	30 June 2023 Fair value $'000
Financial Liabilities at fair value through profit or loss		
Derivatives (Note 9)	**1,115**	538
Listed equity securities sold short	**11,100**	9,200
Total financial liabilities at fair value through profit or loss	**12,215**	**9,738**
Comprising:		
Derivatives		
Australian share price index futures	**705**	318
International interest rate futures	**410**	220
Total derivatives	**1,115**	538
Listed equity securities sold short		
Australian equity securities	**8,500**	7,500
International equity securities	**2,600**	1,700
Total listed equity securities sold short	**11,100**	9,200
Total financial liabilities at fair value through profit or loss	**12,215**	9,738

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

9 Derivative financial instruments

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

Financial risk management (continued)

(d) Liquidity risk (continued)

Consolidated entity

At 30 June 2022

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Foreign currency forward					

commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

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

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

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

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

The Fund may hold the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Fund are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis to exchange the underlying security or financial instrument if the option is exercised

(c) Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period.

(d) Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period.

Derivative financial instruments (continued)

(e) Swaps

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream. A credit default index swap is a credit derivative used to hedge credit risk or to take a position on a basket or credit entities (index). It is an agreement between two parties whereby one party pays the other a fixed coupon for the specified term of the agreement. The other party makes no payment unless a specified credit

contracts					
Inflows	30,000	10,000	-	-	40,000
(Outflows)	(22,500)	(7,500)	-	-	(30,000)
International interest rate futures					

At 31 December 2022

Foreign currency forward contracts
International interest rate futures

At 30 June 2022

Foreign currency forward contracts
International interest rate futures

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the consolidated balance sheet are disclosed in the first three columns of the tables below.

(i) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the consolidated balance sheet, but have been presented separately in the above table.

5 Fair value measurement

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

- Financial assets / liabilities at fair value through profit or loss (FVPL) (see note 7 and 8)
- Derivative financial instruments (see note 9).

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

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

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

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

event occurs.

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

31 December 2023	**Long Contract/ notional $'000**	**Short Contract/ notional $'000**	**Fair Values Assets $'000**	**Fair Values Liabilities $'000**
Foreign currency forward contracts	**12,000**	**3,000**	**845**	**-**
Australian share price index futures	**10,300**	**4,000**	**345**	**705**
International share price index futures	**3,200**	**1,000**	**355**	**-**
International interest rate futures	**2,500**	**1,000**	**55**	**410**
	28,000	**9,000**	**1,600**	**1,115**

30 June 2023	Long Contract/ notional $'000	Short Contract/ notional $'000	Fair Values Assets $'000	Fair Values Liabilities $'000
Foreign currency forward contracts	6,000	2,000	1,000	-
Australian share price index futures	11,000	4,000	255	318
International share price index futures	5,000	1,000	345	-
International interest rate futures	2,200	1,000	-	220
	24,200	8,000	1,600	538

Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

10 Structured entities

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

The Fund considers all investments in managed investment schemes (funds) to be structured entities. The Fund invests in unrelated managed funds for the purpose of capital appreciation and or earning investment income.

bid or asking price to the net open position, as appropriate.

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

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

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

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

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

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

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as; liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Recognised fair value measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 31 December 2022 and 31 December 2021.

The investee funds' objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The investee funds invest in a number of different financial instruments, including equities and debt instruments. The investee funds' finance their operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets.

The Fund holds redeemable shares in each of the funds it invests in.

The exposure to investments in investee funds at fair value, by strategy employed, is disclosed in the following table;

Consolidated entity 31 December 2023	**Number of investee funds**	**Total net asset value of investee funds $'000**	**Fair value of investment $'000**	**% of net assets attributable to holders of redeemable shares****
Strategy				
Australian property trusts	**12**	**383,090**	**10,688**	**3**
Australian equity trusts	**10**	**337,650**	**5,923**	**2**
International equity trusts	**6**	**111,126**	**5,265**	**5**
			21,876	

Consolidated entity 31 December 2022	**Number of investee funds**	**Total net asset value of investee funds $'000**	**Fair value of investment $'000**	**% of net assets attributable to holders of redeemable shares****
Strategy				
Australian property trusts	11	353,090	7,947	2
Australian equity trusts	10	321,650	7,811	2
International equity trusts	5	103,126	1,184	4
			16,942	

The financial assets of $xx,xxx,xxx (2022: $xx,xxx,xxx) is included in financial assets at fair value through profit or loss in the consolidated balance sheet.

**This represents the entity's average percentage interest in the total net assets of the investee funds. The Fund has no individual holdings greater than xx%.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds as there are no off-consolidated balance sheet exposures relating to any of the investee funds. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

During the half-year ended 31 December 2023, total losses, net of distributions, incurred on investments in investee funds were $x,xxx,xxx (2022: $xx,xxx,xxx). as a result of decreases in the fair value of the investee funds.

During the period the Fund earned fair value gains and distribution income as a result of its interests in other funds.

Unitholders

This section shows a reconciliation of the net assets attributable to unitholders, explains the Fund's approach to capital risk management and provides details of distributions made to unitholders during the reporting period.

11 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Fund classifies the net assets attributable to unit holders as equity as they satisfy the following criteria:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels

The following table presents the transfers between levels for the consolidated entity and the Fund for the half-year ended 31 December 2022 and 31 December 2021.

Consolidated entity

At 31 December 2022

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**
Transfers between levels 1 and 2:			
Debt securities	**10,120**	**(10,120)**	**-**
Transfers between levels 2 and 3:			
Debt securities	**-**	**(6,000)**	**6,000**

Consolidated entity

At 30 June 2022

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Transfers between levels 2 and 3:			
Debt securities	-	(3,770)	3,770

At 31 December 2022

Transfers between levels 1 and 2:

Transfers between levels 2 and 3:

At 30 June 2022

Transfers between levels 2 and 3:

The debt securities transferred into level 1 relate to non-US sovereign obligations for which significant trading activity existed on 31 December 2022 but which were only thinly traded on and around 31 December 2021.

The transfer from level 2 to level 3 relate to corporate debt securities whose issuers experienced significant reductions in trading activity and significant credit rating downgrades during the period. The valuation inputs for these securities were not therefore based on market observable inputs which resulted in the reclassification to level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2022 by class of financial instrument.

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2021 by class of financial instrument.

Valuation inputs and relationships to fair value

Fair value measurements using significant unobservable inputs (level 3) (continued)

Fund's liquidation

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

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

Consolidated entity

	31 December 2023 Number	30 June 2023 Number	**31 December 2023 $'000**	30 June 2023 $'000
Opening balance	**7,866,012**	6,888,200	**83,149**	77,187
Applications	**2,335,279**	1,183,103	**26,991**	12,902
Redemptions	**(1,024,095)**	(205,291)	**(8,670)**	(2,165)
Units issued upon reinvestment of distributions	**8,903**	-	**100**	-
Distributions paid and payable	**-**	-	**(1,050)**	(1,000)
Profit/(loss) for the period	**-**	-	**11,235**	(3,775)
Closing balance	**9,186,099**	7,866,012	**111,755**	83,149

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

12 Distributions to unitholders

The distributions for the period were as follows:

Fair value measurements using significant unobservable inputs (level 3) (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (i) and (ii) above for the valuation techniques adopted.

Description	**Fair value at 31 December 2022 $'000**	**Unobservable inputs***	**Range of inputs (probability-weighted average)**	**Relationship of unobservable inputs to fair value**
Debt securities	x,xxx	Discount Rate	x.x% - xx% (x.x%)	Increased/(decreased) discount rate (+/-xx basis points (bps)) would (decrease)/increase fair value by $xxx,xxx

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Description	Fair value at 31 December 2021 $'000	Unobservable inputs*	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Debt securities	xxx	Discount Rate	x.x% - x% (x.x%)	Increased/(decreased) discount rate (+/-xx basis points (bps)) would (decrease)/increase fair value by $xxx,xxx

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

The Responsible Entity has a team that performs detailed monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held at least once every six months, in line with the Fund's half yearly reporting dates.

Changes in level 2 and 3 fair values are analysed at each reporting date during the half-yearly valuation discussion between the Chief Financial Officer, Audit Committee and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Valuation methodology of Level 3 Investments

Debt securities were valued using a discounted cash flow method. The key assumption in this valuation is the discount rate which is determined with reference to comparable debt securities.

Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Consolidated entity Half-year ended	
	31 December 2022 $'000	31 December 2021 $'000

Financial assets		
Net gain/(loss) on financial assets at fair value through profit or loss	**70,760**	(28,170)
Financial liabilities		
Net gain/(loss) on financial liabilities at fair value through profit or loss	**10,820**	(14,080)
	81,580	(42,250)

7 Financial assets at fair value through profit or loss

	31 December 2022 Fair value $'000	30 June 2022 Fair value $'000
Financial Assets at fair value through profit or loss		
Derivatives (Note 9)	**16,000**	16,000
Equity securities	**736,620**	568,880
Fixed interest securities	**203,820**	152,860
Unlisted unit trusts	**218,760**	169,420
Total financial assets at fair value through profit or loss	**1,175,200**	907,160
Comprising:		
Derivatives		
Foreign currency forward contracts	**8,450**	10,000
Australian share price index futures	**3,450**	2,550
International share price index futures	**3,550**	3,450
International interest rate futures	**550**	-
Total derivatives	**16,000**	16,000
Equity securities		
Australian equity securities	**550,030**	398,080
International equity securities	**186,590**	170,800
Total equity securities	**736,620**	568,880

Financial assets at fair value through profit or loss (continued)

	31 December 2022 Fair value $'000	30 June 2022 Fair value $'000
Fixed interest securities		
Australian fixed interest securities	**152,040**	109,010
International fixed interest securities	**51,780**	43,850
Total fixed interest securities	**203,820**	152,860
Unlisted unit trusts		
Units in Australian property trusts	**106,880**	79,470
Units in Australian equity trusts	**59,230**	78,110

Units in Australian equity trusts	59,230	78,110
Units in International equity trusts	**52,650**	11,840
Total unlisted unit trusts	**218,760**	169,420
Total financial assets at fair value through profit or loss	**1,175,200**	907,160

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

8 Financial liabilities at fair value through profit or loss

	31 December 2022 Fair value $'000	30 June 2022 Fair value $'000
Financial Liabilities at fair value through profit or loss		
Derivatives (Note 9)	**11,150**	5,380
Listed equity securities sold short	**111,000**	92,000
Total financial liabilities at fair value through profit or loss	**122,150**	**97,380**
Comprising:		
Derivatives		
Australian share price index futures	**7,050**	3,180
International interest rate futures	**4,100**	2,200
Total derivatives	**11,150**	5,380
Listed equity securities sold short		
Australian equity securities	**85,000**	75,000
International equity securities	**26,000**	17,000
Total listed equity securities sold short	**111,000**	92,000
Total financial liabilities at fair value through profit or loss	**122,150**	97,380

Distributions to unitholders (continued)

Consolidated entity

Single class

	Half-year ended			
	31 December 2023 $'000	**31 December 2023 CPU**	31 December 2022 $'000	31 December 2022 CPU
Distributions paid*	**1,000**	**12.299**	1,000	12.713
Distributions payable	**50**	**.611**	-	-
	1,050		1,000	

*During the period, some distributions were satisfied by the issue of units (reinvestment). See note 11.

Financial liabilities at fair value through profit or loss (continued)

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

9 Derivative financial instruments

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

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

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

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

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

The Fund may hold the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Fund are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis to exchange the underlying security or financial instrument if the option is exercised

(c) Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period.

(d) Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period.

Cash flow information

This section provides further information in relation to the Funds' consolidated statement of cash flows.

13.	Cash and cash equivalents	x
14.	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	x

Derivative financial instruments (continued)

(e) Swaps

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream. A credit default index swap is a credit derivative used to hedge credit risk or to take a position on a basket or credit entities (index). It is an agreement between two parties whereby one party pays the other a fixed coupon for the specified term of the agreement. The other party makes no payment unless a specified credit event occurs.

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

31 December 2022			Fair Values	
	Long Contract/ notional $'000	Short Contract/ notional $'000	Assets $'000	Liabilities $'000
Foreign currency forward contracts	**120,000**	**30,000**	**8,450**	**-**
Australian share price index futures	**103,000**	**40,000**	**3,450**	**7,050**
International share price index futures	**32,000**	**10,000**	**3,550**	**-**
International interest rate futures	**25,000**	**10,000**	**550**	**4,100**
	280,000	**90,000**	**16,000**	**11,150**

30 June 2022			Fair Values	
	Long Contract/ notional $'000	Short Contract/ notional $'000	Assets $'000	Liabilities $'000
Foreign currency forward contracts	60,000	200,000	10,000	-
Australian share price index futures	110,000	400,000	2,550	3,180
International share price index futures	50,000	100,000	3,450	-
International interest rate futures	22,000	100,000	-	2,200
	242,000	800,000	16,000	5,380

13 Cash and cash equivalents

	31 December 2023 $'000	30 June 2023 $'000
Cash at bank	**1,770**	325
Money market instruments	**2,000**	1,000
	3,770	1,325

14 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

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

	Consolidated entity Half-year ended 31 December 2023 $'000	31 December 2022 $'000
Profit/(loss) for the period	**11,235**	(3,775)
Proceeds from sale of financial instruments at fair value through profit or loss	**9,298**	7,188
Purchase of financial instruments at fair value through profit or loss	**(28,175)**	(16,337)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(8,183)**	4,225
Net change in margin accounts	**803**	187
Net change in receivables and other assets	**(49)**	265
Net change in payables and other liabilities	**120**	(655)
Net cash inflow/(outflow) from operating activities	**(14,951)**	(8,902)

(b) Non-cash financing and investing activities

During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**100**	-

31 December 2022

30 June 2022

Further details

This section provides information about specific expense items and related party transactions

15 Remuneration of auditors

During the period the following fees were paid or payable for services provided by ABC Auditors as the auditor of the consolidated entity and the Fund and by ABC Auditors related network firms:

	Consolidated entity Half-year ended	
	31 December 2023	31 December 2022
	$	$
Auditors of the Fund - ABC Auditors and related network firms		
Audit and review of financial reports	**31,000**	26,000
Other assurance services		
Audit of compliance plan	**12,000**	12,000
Other non-audit services		
Tax compliance services	**12,000**	9,000
Total other non-audit services	**12,000**	9,000
Total services provided by ABC Auditors	**55,000**	**47,000**

16 Other operating expenses

	Consolidated entity Half-year ended	
	31 December 2023	31 December 2022
	$'000	$'000
Overseas advisory fees	**51**	40
Other expenses	**52**	41
	103	81

17 Related party transactions

(a) Responsible entity

The responsible entity of TR Example Unit Trust is TR Example Investment Funds.

Derivative financial instruments (continued)

Risk exposures and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

10 Structured entities

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

The Fund considers all investments in managed investment schemes (funds) to be structured entities. The Fund invests in unrelated managed funds for the purpose of capital appreciation and or earning investment income.

The investee funds' objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The investee funds invest in a number of different financial instruments, including equities and debt instruments. The investee funds' finance their operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets.

The Fund holds redeemable shares in each of the funds it invests in.

The exposure to investments in investee funds at fair value, by strategy employed, is disclosed in the following table:

The financial assets of $xx,xxx,xxx (2021: $xx,xxx,xxx) is included in financial assets at fair value through profit or loss in the consolidated balance sheet.

**This represents the entity's average percentage interest in the total net assets of the investee funds. The Fund has no individual holdings greater than xx%.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds as there are no off-consolidated balance sheet exposures relating to any of the investee funds. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

During the half-year ended 31 December 2022, total losses, net of distributions, incurred on investments in investee funds were $x,xxx,xxx (2021: $xx,xxx,xxx). as a result of decreases in the fair value of the investee funds.

During the period the Fund earned fair value gains and distribution income as a result of its interests in other funds.

Related party transactions (continued)

(b) Directors

Key management personnel includes persons who were directors of TR Example Investment Funds at any time during the financial period as follows:

A Director (resigned 14 October 2022)
B Director
C Director
D Director (appointed 20 May 2023)

(c) Other key management personnel

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

(d) Transactions with key management personnel

Key management personnel services are provided by TR Example Investment Funds and included in the management fees disclosed in (e) below. There is no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

The following transactions occurred with key management personnel during the reporting period:

	31 December 2023	30 June 2023
	$	$
Application for units	**601,802**	230,606
Redemption of units	**-**	-

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

Key management personnel unitholdings

The key management personnel of TR Example Investment Funds held units in the Fund as follows:

Consolidated entity

31 December 2023

Unitholder	**No. of units held opening**	**No. of units held closing**	**Fair value of Investment**	**Interest held**	**No. of units acquired**	**No. of units disposed**	**Distributions paid/payable by the Fund**
	(Units)	**(Units)**	**($)**	**(%)**	**(Units)**	**(Units)**	**($)**
B Director	**85,000**	**132,000**	**1,606,000**	**.001**	**47,000**	**-**	**161,000**

Consolidated entity

31 December 2022

Unitholder	No. of units held opening	No. of units held closing	Fair value of Investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund
	(Units)	(Units)	($)	(%)	(Units)	(Units)	($)
B Director	63,000	85,000	898,000	.001	22,000	-	110,000

Except as disclosed above, no key management personnel have entered into any transactions with the Fund during the financial period and there were no material balances involving key management personnel's interests outstanding at period end.

Unitholders

This section shows a reconciliation of the net assets attributable to unitholders, explains the Fund's approach to capital risk management and provides details of distributions made to unitholders during the reporting period.

11.	Net assets attributable to unitholders	x
12.	Distributions to unitholders	x

11 Net assets attributable to unitholders

(e) Responsible entity's/manager's fees and other transactions

Under the terms of the Fund's Constitution, the responsible entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Fund as follows:

(i) 0.60% (20xx: 0.60%) per annum charged on the first $100,000,000 of unitholders' funds managed
(ii) 0.50% (20xx: 0.50%) per annum charged on the next $50,000,000 of unitholders' funds managed, and
(iii) 0.40% (20xx: 0.40%) per annum charged on any unitholders' funds thereafter.

Under the terms of the Fund's Constitution, the responsible entity is also entitled to receive a performance fee if the performance of the Fund exceeds its benchmark, being the MSCI World Index, by x%. Performance fees are calculated as xx% of the outperformance of the benchmark. No performance fee was paid in the current or previous period.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Fund's Constitution.

The transactions during the period and amounts payable at period end between the Fund and the responsible entity were as follows:

	31 December 2023	31 December 2022
	$	$
Management fees for the period paid by the Fund to the responsible entity	**803,000**	684,000
Fees earned by the responsible entity in respect of investments by the Fund in other schemes managed by the responsible entity*	**80,033**	59,303
Administration expenses incurred by the responsible entity which are reimbursed in accordance with the Fund's Constitution	**12,091**	19,211
Aggregate amounts payable to the responsible entity at the end of the reporting period	**65,356**	58,108

* Where the Fund invests into other schemes managed by the responsible entity, the responsible entity's fee is calculated after rebating fees charged in the underlying schemes.

(f) Related party unitholdings

The only related party to the fund as defined by AASB 124 is TR Example Investment Funds which has no unit holdings in the fund. Other schemes (managed by TR Example Investment Funds), held units in the Fund as follows:

Consolidated entity

31 December 2023

Unitholder	**No. of units held opening (Units)**	**No. of units held closing (Units)**	**Fair value of Investment ($)**	**Interest held (%)**	**No. of units acquired (Units)**	**No. of units disposed (Units)**	**Distributions paid/payable by the Fund ($)**
ONESOURCE Superannuation Fund	**1,732,439**	**1,193,144**	**14,514,597**	**13**	**266,705**	**806,000**	**6,503**
ONESOURCE Life Limited	**-**	**276,273**	**3,360,861**	**3**	**276,273**	**-**	**1,506**
ONESOURCE Master Fund	**1,101,974**	**1,744,493**	**21,221,757**	**19**	**892,519**	**250,000**	**9,508**

11 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Fund classifies the net assets attributable to unit holders as equity as they satisfy the following criteria:

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

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

Units issued upon reinvestment of distributions

Closing balance

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

12 Distributions to unitholders

The distributions for the period were as follows:

Single class

*During the period, some distributions were satisfied by the issue of units (reinvestment). See note 11.

Cash flow information

This section provides further information in relation to the Funds' consolidated statement of cash flows.

13.	Cash and cash equivalents	x
14.	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	x

13 Cash and cash equivalents

	31 December 2022 $'000	30 June 2022 $'000
Cash at bank	**17,700**	3,250
Money market instruments	**20,000**	10,000
	37,700	13,250

14 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

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

	Consolidated entity Half-year ended 31 December 2022 $'000	31 December 2021 $'000
Profit/(loss) for the period	**112,350**	(37,750)
Proceeds from sale of financial instruments at fair value through profit or loss	**93,230**	71,880
Purchase of financial instruments at fair value through profit or loss	**(281,750)**	(163,370)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(81,830)**	42,250
Net change in margin accounts	**8,030**	1,870
Net change in receivables and other assets	**(490)**	2,650
Net change in payables and other liabilities	**1,200**	(6,550)
Net cash inflow/(outflow) from operating activities	**(149,260)**	(89,020)

(b) Non-cash financing and investing activities

During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**1,000**	-

Further details

This section provides information about specific expense items and related party transactions

15 Remuneration of auditors

During the period the following fees were paid or payable for services provided by ABC Auditors as the auditor of the consolidated entity and the Fund and by ABC Auditors related network firms:

	Consolidated entity Half-year ended 31 December 2022 $
Auditors of the Fund - ABC Auditors and related network firms	
Audit and review of financial reports	**310,000**
Other assurance services	
Audit of compliance plan	**120,000**
Other non-audit services	
Tax compliance services	**120,000**
Total services provided by ABC Auditors	**550,000**

16 Other operating expenses

	Consolidated entity Half-year ended 31 December 2022 $'000	31 December 2021 $'000
Overseas advisory fees	**510**	400
Other expenses	**520**	410
	1,030	810

17 Related party transactions

(a) Responsible entity

The responsible entity of TR Example Unit Trust is TR Example Investment Funds.

(b) Directors

Key management personnel includes persons who were directors of TR Example Investment Funds at any time during the financial period as follows:

A Director (resigned 14 October 2020)
B Director
C Director
D Director (appointed 20 May 2019)

(c) Other key management personnel

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

(d) Transactions with key management personnel

Key management personnel services are provided by TR Example Investment Funds and included in the management fees disclosed in (e) below. There is no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

The following transactions occurred with key management personnel during the reporting period:

	31 December 2022 $	30 June 2022 $
Application for units	**6,018,020**	2,306,060
Redemption of units	**-**	-

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

Key management personnel unitholdings

The key management personnel of TR Example Investment Funds held units in the Fund as follows:

(f) Related party unitholdings (continued)

Consolidated entity

31 December 2022

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of Investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund ($)
ONESOURCE Superannuation Fund	1,405,998	1,732,439	18,292,823	22	326,451	-	220,245
ONESOURCE Master Fund	906,742	1,101,974	11,635,743	14	195,332	100	140,094

(g) Investments

The Fund held investments in the following schemes which are also managed by TR Example Investment Funds or its related parties:

Consolidated entity

	Fair value of investment		**Interest held**		**Distributions received/ receivable**		**Units acquired during the year**		**Units disposed during the year**	
	2023 $	2022 $	**2023 %**	2022 %	**2023 $**	2022 $	**2023 No.**	2022 No.	**2023 No.**	2022 No.
ONESOURCE Australian Share Fund	**4,923,002**	6,811,099	**8**	5	**30,113**	30,022	**-**	-	**-**	15,000
ONESOURCE International Fund	**4,265,133**	184,291	**16**	12	**-**	21,187	**50,000**	-	**-**	-
ONESOURCE Property Securities Fund	**9,688,027**	7,247,122	**12**	13	**45,301**	-	**30,000**	-	**-**	10,000
	18,876,162	14,242,512			**75,414**	51,209	**80,000**	-	**-**	25,000

Distributions received/receivable includes an amount of $30,113.00 (2022: $30,022.00) in respect of ONESOURCE Australian Share Fund
which remains unpaid at the end of the reporting period.

The Fund did not hold any investments in TR Example Investment Funds or its related parties during the period.

Consolidated entity

31 December 2022

Unitholder	**No. of units held opening (Units)**	**No. of units held closing (Units)**	**Fair value of Investment ($)**	**Interest held (%)**	**No. of units acquired (Units)**	**No. of units disposed (Units)**	**Distributions paid/payable by the Fund ($)**
B Director	**850,000**	**1,320,000**	**16,060,000**	**.001**	**470,000**	**-**	**161,000**

Consolidated entity

31 December 2021

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of Investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund ($)
B Director	630,000	850,000	8,980,000	.001	220,000	-	110,000

Related party transactions (continued)

(d) Transactions with key management personnel (continued)

Key management personnel unitholdings (continued)

31 December 2022

Unitholder

31 December 2021

Unitholder

Except as disclosed above, no key management personnel have entered into any transactions with the Fund during the financial period and there were no material balances involving key management personnel's interests outstanding at period end.

(e) Responsible entity's/manager's fees and other transactions

Under the terms of the Fund's Constitution, the responsible entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Fund as follows:

(i) 0.60% (20xx: 0.60%) per annum charged on the first $100,000,000 of unitholders' funds managed
(ii) 0.50% (20xx: 0.50%) per annum charged on the next $50,000,000 of unitholders' funds managed, and
(iii) 0.40% (20xx: 0.40%) per annum charged on any unitholders' funds thereafter.

Under the terms of the Fund's Constitution, the responsible entity is also entitled to receive a performance fee if the performance of the Fund exceeds its benchmark, being the MSCI World Index, by x%. Performance fees are calculated paid as xx% of the outperformance of the benchmark. No performance fee was paid in the current or previous period.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Fund's Constitution.

The transactions during the period and amounts payable at period end between the Fund and the responsible entity were as follows:

	31 December 2022 $	31 December 2021 $
Management fees for the period paid by the Fund to the responsible entity	**8,030,000**	6,840,000

Management fees for the period paid by the Fund to the responsible entity	[illegible]	[illegible]
Fees earned by the responsible entity in respect of investments by the Fund in other schemes managed by the responsible entity*	**80,033**	59,303
Administration expenses incurred by the responsible entity which are reimbursed in accordance with the Fund's Constitution	**12,091**	19,211
Aggregate amounts payable to the responsible entity at the end of the reporting period	**65,356**	58,108

* Where the Fund invests into other schemes managed by the responsible entity, the responsible entity's fee is calculated after rebating fees charged in the underlying schemes.

(f) Related party unitholdings

The only related party to the fund as defined by AASB 124 is TR Example Investment Funds which has no unit holdings in the fund. Other schemes (managed by TR Example Investment Funds), held units in the Fund as follows:

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

18 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the consolidated balance sheet as at 31 December 2023 or on the results and cash flows of the Fund for the half-year ended on that date.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2022.

Related party transactions (continued)

(f) Related party unitholdings (continued)

Consolidated entity

31 December 2022

Unitholder	**No. of units held opening (Units)**	**No. of units held closing (Units)**	**Fair value of Investment ($)**	**Interest held (%)**	**No. of units acquired (Units)**	**No. of units disposed (Units)**	**Distributions paid/payable by the Fund ($)**
ONESOURCE Superannuation Fund	**17,324,390**	**11,931,440**	**145,145,970**	**13**	**2,667,050**	**8,060,000**	**65,030**
ONESOURCE Life Limited	**-**	**2,762,730**	**33,608,610**	**3**	**2,762,730**	**-**	**15,060**
ONESOURCE Master Fund	**11,019,740**	**17,444,930**	**212,217,570**	**19**	**8,925,190**	**2,500,000**	**95,080**

Consolidated entity

31 December 2021

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of Investment ($)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund ($)
ONESOURCE Superannuation Fund	14,059,980	17,324,390	182,928,230	22	3,264,510	-	2,202,450
ONESOURCE Master Fund	9,067,420	11,019,740	116,357,430	14	1,953,320	1,000	1,400,940

31 December 2022

Unitholder

(g) Investments

The Fund held investments in the following schemes which are also managed by TR Example Investment Funds or its related parties:

Distributions received/receivable includes an amount of $30,113.00 (2021: $30,022.00) in respect of ONESOURCE Australian Share Fund
which remains unpaid at the end of the reporting period.

The Fund did not hold any investments in TR Example Investment Funds or its related parties during the period.

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

Directors' declaration

In the opinion of the directors of the responsible entity:

(a) the financial statements and notes set out on pages 6 to 52 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements

(ii) giving a true and fair view of the consolidated Fund's financial position as at 31 December 2023 and of its performance for the financial period ended on that date

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

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

B Director
Director
Sydney
14 September 2023

18 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the consolidated balance sheet as at 31 December 2022 or on the results and cash flows of the Fund for the half-year ended on that date.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2022 and 30 June 2022.

Independent audit report to the unitholders of TR Example Unit Trust

{The Independent audit report to the unitholders of will be provided by your auditor}

TR Example Unit Trust
31 December 2022

Directors' declaration

In the opinion of the directors of the responsible entity:

(a) the financial statements and notes set out on pages 6 to 51 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements

(ii) giving a true and fair view of the consolidated Fund's financial position as at 31 December 2022 and of its performance for the financial period ended on that date

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

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

B Director
Director
Sydney
14 September 2020

TR Example Unit Trust
31 December 2022

Independent audit report to the unitholders of TR Example Unit Trust

{The Independent audit report to the unitholders of will be provided by your auditor}

TR Example Unit Trust
31 December 2022