

# **American Century Global Small Cap Fund**

ARSN 652 931 265

## **Annual report**

**For the year ended 30 June 2023**

# American Century Global Small Cap Fund

ARSN 652 931 265

## Annual report

## For the year ended 30 June 2023

### Contents

Directors' report

Auditor's independence declaration

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Directors' declaration

Independent auditor's report to the unit holders of American Century Global Small Cap Fund

This annual report covers American Century Global Small Cap Fund as an individual entity.

The Responsible Entity of American Century Global Small Cap Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street  
Melbourne, VIC 3000.

## Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of American Century Global Small Cap Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2023.

### Principal activities

The Fund invests in an actively managed portfolio of equity and equity-related securities issued by small capitalisation companies in both developed and emerging countries, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	Equity Trustees Limited
Investment Manager	American Century Investment Management, Inc.
Custodian and Administrator	State Street Australia Limited
Statutory Auditor	Deloitte Touche Tohmatsu

### Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

### Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 13.80% (net of fees) for the year ended 30 June 2023. The Fund's benchmark, MSCI ACWI Small Cap Net (\$AUD) Index returned 16.76% for the same year.

Fund's performance is calculated based on the percentage change in the redemption price in the Fund over the period (with any distributions paid during the period reinvested). Returns are disclosed after fees and expenses but before taxes.

## Directors' report (continued)

### Review and results of operations (continued)

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

	<b>Year ended 30 June 2023</b>	For the period 31 August 2021 to 30 June 2022
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	4,963	(5,401)
<b>Distributions - Class A</b>		
Distributions paid and payable (\$'000)	145	120
Distributions (cents per unit)	0.33	0.30
<b>Distributions - Class B</b>		
Distributions paid and payable (\$'000)	20	-
Distributions (cents per unit)	8.02	-

### Significant changes in the state of affairs

David B Warren was appointed as a director of Equity Trustees Limited on 6 March 2023.

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

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

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may have a significant effect on:

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

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and 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.

### Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited 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.

### Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

## Directors' report (continued)

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

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

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

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

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 8 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position 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 Commonwealth, State or Territory law.

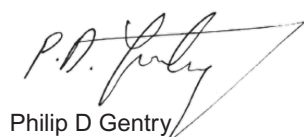
### Rounding of amounts to the nearest thousand dollars

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 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Philip D Gentry  
Chairman

Melbourne  
21 September 2023

21 September 2023

The Board of Directors  
Equity Trustees Limited  
Level 1, 575 Bourke Street  
MELBOURNE VIC 3000

Dear Board Members,

### **Independence Declaration – American Century Global Small Cap Fund**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial report of American Century Global Small Cap Fund (the "Fund").

As lead audit partner for the audit of the financial statements of the Fund for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett  
Partner  
Chartered Accountants

## Statement of comprehensive income

		Year ended 30 June 2023	For the period 31 August 2021 to 30 June 2022
	Note	\$'000	\$'000
<b>Investment income</b>			
Interest income from financial assets at amortised cost		2	-
Dividend income		468	200
Net foreign exchange gain/(loss)		(42)	175
Net gains/(losses) on financial instruments at fair value through profit or loss		<u>4,876</u>	<u>(5,659)</u>
<b>Total investment income/(loss)</b>		<u>5,304</u>	<u>(5,284)</u>
<b>Expenses</b>			
Management fees and costs		191	57
Withholding taxes		58	28
Transaction costs		82	32
Other expenses		<u>10</u>	<u>-</u>
<b>Total expenses</b>		<u>341</u>	<u>117</u>
<b>Profit/(loss) before finance costs attributable to unit holders for the year</b>		<u>4,963</u>	<u>(5,401)</u>
<b>Finance costs attributable to unit holders</b>			
Distributions to unit holders	9	(165)	(120)
(Increase)/decrease in net assets attributable to unit holders	8	<u>(4,798)</u>	<u>5,521</u>
<b>Profit/(loss) for the year</b>		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

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

## Statement of financial position

	Note	As at	
		30 June 2023 \$'000	30 June 2022 \$'000
<b>Assets</b>			
Cash and cash equivalents	10	899	1,322
Receivables	12	95	36
Due from brokers - receivable for securities sold		376	130
Financial assets at fair value through profit or loss	6	<u>40,804</u>	<u>32,514</u>
<b>Total assets</b>		<u>42,174</u>	<u>34,002</u>
<b>Liabilities</b>			
Distributions payable	9	165	120
Payables	13	96	304
Due to brokers - payable for securities purchased		<u>905</u>	<u>678</u>
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<u>1,166</u>	<u>1,102</u>
<b>Net assets attributable to unit holders - liability</b>		<u>41,008</u>	<u>32,900</u>

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



## Statement of changes in equity

	Year ended 30 June 2023 \$'000	For the period 31 August 2021 to 30 June 2022 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial year*</b>	-	-

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

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

## Statement of cash flows

	Note	Year ended 30 June 2023 \$'000	For the period 31 August 2021 to 30 June 2022 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		41,717	13,521
Payments for purchase of financial instruments at fair value through profit or loss		(45,150)	(51,146)
Net foreign exchange gain/(loss)		(42)	175
Interest income received from financial assets at amortised cost		2	-
Dividends received		372	136
Other income received		(21)	-
Management fees and costs paid		(192)	-
Other expenses paid		(85)	(30)
<b>Net cash inflow/(outflow) from operating activities</b>	11(a)	<u>(3,399)</u>	<u>(37,344)</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		10,071	40,017
Payments for redemptions by unit holders		(6,975)	(1,351)
Distributions paid to unit holders		(120)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<u>2,976</u>	<u>38,666</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(423)</b>	1,322
Cash and cash equivalents at the beginning of the year		<u>1,322</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the year</b>	10	<u>899</u>	<u>1,322</u>

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

## Notes to the financial statements

### Contents

1	General information
2	Summary of significant accounting policies
3	Financial risk management
4	Offsetting financial assets and financial liabilities
5	Fair value measurement
6	Financial assets at fair value through profit or loss
7	Derivative financial instruments
8	Net assets attributable to unit holders - liability
9	Distributions to unit holders
10	Cash and cash equivalents
11	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
12	Receivables
13	Payables
14	Remuneration of auditors
15	Related party transactions
16	Events occurring after the reporting period
17	Contingent assets and liabilities and commitments

## 1 General information

These financial statements cover American Century Global Small Cap Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 18 August 2021 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in an actively managed portfolio of equity and equity-related securities issued by small capitalisation companies in both developed and emerging countries, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. 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 years presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity 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 statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

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 reporting date.

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

#### (i) Compliance with International Financial Reporting Standards (IFRS)

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

#### (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 the prior periods or will affect the current or future periods.

#### (iii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets 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's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents, receivables and due from brokers, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial 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.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, management fees and costs payable, redemptions payable, withholding tax payable and due to brokers).

#### (ii) Recognition and 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.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### (iii) Measurement

- Financial instruments at fair value through profit or loss

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

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

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### (iii) Measurement (continued)

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

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, receivables, due from brokers, distributions payable, payables and due to brokers are carried at amortised cost.

#### (iv) Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, receivables and due from brokers) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the 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 the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net 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 expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income 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 the statement of comprehensive income.

#### (v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has 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.

Financial assets and liabilities that have been offset are disclosed in Note 4 to the financial statements.

### (c) Net assets attributable to unit holders

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

The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

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 unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

## 2 Summary of significant accounting policies (continued)

### (d) Cash and cash equivalents

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

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

### (e) Investment income

#### (i) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

#### (ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

### (f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

Management fees and costs covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

### (g) Income tax

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

The Fund currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

### (h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

## 2 Summary of significant accounting policies (continued)

### (i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

### (j) Foreign currency translation

#### (i) Functional and presentation currency

Balances 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

### (k) Due from/to brokers

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

### (l) Receivables

Receivables may include amounts for dividends. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

### (m) Payables

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

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

### (n) 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.



## 2 Summary of significant accounting policies (continued)

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

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (p) Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are 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. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

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

For more information on how fair value is calculated refer to Note 5 to the financial statements.

### (q) Rounding of amounts

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

### (r) Comparative revisions

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

## 3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. 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.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and unit trusts is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, under an Investment Management Agreement (the "IMA") approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

### 3 Financial risk management (continued)

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 price risk on equity securities listed or quoted on recognised securities exchanges. Price risk 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 which are considered a component of price risk.

The Investment Manager mitigates this price risk for equity securities by understanding company operational and earnings risk. To mitigate the impact of equity and other price risk, the investment process ensures there is diversification of equity exposures that adheres to the Fund's investment guidelines.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/-XX% (2022: +/-10%).

##### (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 fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

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

As at 30 June 2023	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Canadian Dollar A\$'000	New Taiwan Dollars A\$'000	All other foreign currencies A\$'000
Cash and cash equivalents	3	-	6	-	-	-
Due from brokers - receivable for securities sold	307	3	-	-	-	66
Receivables	11	7	14	4	14	24
Financial assets at fair value through profit or loss	23,632	4,112	3,568	2,641	1,387	4,949
Due to brokers - payable from securities purchased	(724)	(141)	-	-	-	(40)
Payables	(2)	-	(2)	(1)	(3)	(1)
<b>Net exposure</b>	<b>23,227</b>	<b>3,981</b>	<b>3,586</b>	<b>2,644</b>	<b>1,398</b>	<b>4,998</b>
Net increase/(decrease) in exposure from forward currency contracts*	415	138	(6)	-	-	(26)
<b>Net exposure including forward currency contracts</b>	<b>23,642</b>	<b>4,119</b>	<b>3,580</b>	<b>2,644</b>	<b>1,398</b>	<b>4,972</b>

### 3 Financial risk management (continued)

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

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

As at 30 June 2022	US Dollars A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Brazilian Reals A\$'000	All other foreign currencies A\$'000
Cash and cash equivalents	4	86	-	-	30	106
Due from brokers - receivable for securities sold	49	-	80	-	-	1
Receivables	8	12	1	3	5	7
Financial assets at fair value through profit or loss	18,237	3,388	3,027	2,005	832	4,072
Due to brokers - payable from securities purchased	(250)	(113)	(17)	(17)	(30)	(215)
Payables	-	(2)	-	-	-	-
Net exposure	<u>18,048</u>	<u>3,371</u>	<u>3,091</u>	<u>1,991</u>	<u>837</u>	<u>3,971</u>
Net increase/(decrease) in exposure from forward currency contracts*	<u>199</u>	<u>28</u>	<u>(63)</u>	<u>17</u>	<u>-</u>	<u>109</u>
Net exposure including forward currency contracts	<u>18,247</u>	<u>3,399</u>	<u>3,028</u>	<u>2,008</u>	<u>837</u>	<u>4,080</u>

\*The amount disclosed above reflects mark to market value. Refer to Note 7 for the notional values of forward currency contracts.

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened or strengthened by +/-10% (2022: +/-10%), against the material foreign currencies to which the Fund is exposed.

##### (iii) Interest rate risk

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

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund. Accordingly, no sensitivity analysis has been prepared for interest rate risk.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. 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 foreign exchange rates, interest rates and the 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

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis (continued)

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 variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders			
	Price risk		Foreign exchange risk	
	+10%	-10%	+10%	-10%
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2023</b>	<b>4,080</b>	<b>(4,080)</b>	<b>4,036</b>	<b>(4,036)</b>
As at 30 June 2022	3,251	(3,251)	3,800	(3,800)

#### (c) Credit risk

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

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents, receivables and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances at the reporting date.

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 considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2023 and 30 June 2022, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of 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.

#### (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. This risk is mitigated through portfolio diversification. In addition, the Fund seeks to maintain sufficient cash and cash equivalents to meet normal operating requirements.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests.

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 unit holders. The Fund did not reject or withhold any redemptions during 2023 and 2022.

##### (i) Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

##### (ii) Maturities of net settled derivative financial instruments

As at 30 June 2023, the forward currency contract had maturities of less than 1 month and the market value was \$1,248.58.

#### 4 Offsetting financial assets and financial liabilities

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

The asset value of the forward currency contract held as at 30 June 2023 was \$1,248.58 (2022: \$254.55).

	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral received /pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2023						
<b>Financial assets</b>						
Derivative financial instruments	967	(966)	1	-	-	1
<b>Total</b>	<u>967</u>	<u>(966)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Financial liabilities</b>						
Derivative financial instruments	967	(967)	-	-	-	-
<b>Total</b>	<u>967</u>	<u>(967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 June 2022						
Financial assets						
Derivative financial instruments						
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 5 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 6)
- Derivative financial instruments (see Note 7)

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

## 5 Fair value measurement (continued)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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.

### (a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets and liabilities held by the Fund is the last trade 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.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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.

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

### (c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2023 and 30 June 2022.

As at 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Forward currency contracts	-	1	-	1
Equity securities	37,876	-	-	37,876
Unit trusts	<u>2,927</u>	-	-	<u>2,927</u>
<b>Total financial assets</b>	<u>40,803</u>	<u>1</u>	-	<u>40,804</u>

## 5 Fair value measurement (continued)

As at 30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Equity securities	30,723	-	-	30,723
Unit trusts	<u>1,791</u>	<u>-</u>	<u>-</u>	<u>1,791</u>
Total financial assets	<u>32,514</u>	<u>-</u>	<u>-</u>	<u>32,514</u>

As at 30 June 2023, the forward currency contract were at Level 2 and the market value was \$1,248.58 (2022: \$254.55).

### (d) Transfer between levels

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

### (e) Financial instruments not carried at fair value

The financial instruments not measured at fair value through profit or loss include:

- i. Cash and cash equivalents, balances due from/to brokers and receivables/payables under sale and repurchase agreements. These are short-term financial assets and financial liabilities whose carrying approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amounts of net assets attributable to unitholders approximates their fair value. Any difference is not material in the current year or prior year.

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

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Derivatives	1	-
Equity securities	37,876	30,723
Unit trusts	<u>2,927</u>	<u>1,791</u>
<b>Total financial assets at fair value through profit or loss</b>	<u><b>40,804</b></u>	<u><b>32,514</b></u>

The asset value of the forward currency contract held as at 30 June 2023 was \$1,248.58 (2022: \$254.55).

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.

## 7 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.

## 7 Derivative financial instruments (continued)

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, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- 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 holds the following derivatives:

### (a) 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. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

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

#### As at 30 June 2023

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	967	1	-
<b>Total derivatives</b>	<b>967</b>	<b>1</b>	<b>-</b>

#### As at 30 June 2022

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	418	-	-
Total derivatives	418	-	-

Information about the Fund's exposure to credit risk, foreign exchange risk, 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.

## 8 Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.



## 8 Net assets attributable to unit holders - liability (continued)

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

	Year ended 30 June 2023 Units '000	Year ended 30 June 2023 \$'000	For the period 31 August 2021 to 30 June 2022 Units '000	For the period 31 August 2021 to 30 June 2022 \$'000
<b>Class A</b>				
Opening balance	39,683	32,703	-	-
Applications	11,265	10,071	41,489	39,767
Redemptions	(7,549)	(6,761)	(1,806)	(1,596)
Increase/(decrease) in net assets attributable to unit holders	-	4,791	-	(5,468)
<b>Closing balance</b>	<b>43,399</b>	<b>40,804</b>	<b>39,683</b>	<b>32,703</b>
<b>Class B</b>				
Opening balance	250	197	-	-
Applications	-	-	250	250
Increase/(decrease) in net assets attributable to unit holders	-	7	-	(53)
<b>Closing balance</b>	<b>250</b>	<b>204</b>	<b>250</b>	<b>197</b>
<b>Closing balance</b>		<b>41,008</b>		<b>32,900</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are two separate classes of units at 30 June 2023 and 2022. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holders' 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 unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

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 redemption of units if the exercise of such discretion is in the best interests of unit holders.

## 9 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended 30 June 2023 \$'000	Year ended 30 June 2023 CPU	For the period 31 August 2021 to 30 June 2022 \$'000	For the period 31 August 2021 to 30 June 2022 CPU
<b>Distributions - Class A</b>				
June (payable)	145	0.33	120	0.30
<b>Total distributions</b>	<b>145</b>		<b>120</b>	
<b>Distributions - Class B</b>				
June (payable)	20	8.02	-	-
<b>Total distributions</b>	<b>20</b>		<b>-</b>	<b>-</b>
<b>Total distributions</b>	<b>165</b>		<b>120</b>	

## 10 Cash and cash equivalents

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Cash at bank	899	1,322
<b>Total cash and cash equivalents</b>	<b>899</b>	<b>1,322</b>

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

	Year ended 30 June 2023 \$'000	For the period 31 August 2021 to 30 June 2022 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	4,798	(5,521)
Distributions to unit holders	165	120
Proceeds from sale of financial instruments at fair value through profit or loss	41,717	13,521
Payments for purchase of financial instruments at fair value through profit or loss	(45,150)	(51,146)
Net (gains)/losses on financial instruments at fair value through profit or loss	(4,876)	5,659
Net change in receivables	(59)	(36)
Net change in payables	6	59
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(3,399)</b>	<b>(37,344)</b>

## 11 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

As described in Note 2(j), income not distributed is included in net assets attributable to unit holders. The change in this amount for the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

## 12 Receivables

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Dividends receivable	74	36
GST receivable	21	-
<b>Total receivables</b>	<b>95</b>	<b>36</b>

## 13 Payables

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Management fees and costs payable	56	57
Redemptions payable	31	245
Withholding tax payable	9	2
<b>Total payables</b>	<b>96</b>	<b>304</b>

## 14 Remuneration of auditors

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

	Year ended 30 June 2023 \$	For the period 31 August 2021 to 30 June 2022 \$
<b>Deloitte Touche Tohmatsu</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	14,310	13,500
Total auditor remuneration and other assurance services	14,310	13,500
<i>Taxation services</i>		
Tax compliance services	9,392	7,560
Total remuneration for taxation services	9,392	7,560
<b>Total remuneration of Deloitte Touche Tohmatsu</b>	<b>23,702</b>	<b>21,060</b>
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,346	2,346
Total auditor remuneration and other assurance services	2,346	2,346
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>2,346</b>	<b>2,346</b>

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

## 15 Related party transactions

The Responsible Entity of American Century Global Small Cap Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to American Century Investment Management, Inc. to act as Investment Manager for the Fund and State Street Australia Limited to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

### (a) Key management personnel

#### (i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

#### (ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

## 15 Related party transactions (continued)

### (b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

### (c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2023 (30 June 2022: nil).

### (d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

### (e) Key management personnel loans

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

### (f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

### (g) Responsible Entity fees, Investment Manager's fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended 30 June 2023	For the period 31 August 2021 to 30 June 2022
	\$	\$
Management fees for the year	107,457	42,007
Responsible Entity fees for the year	19,010	5,586
Management fees payable at year end	43,746	42,007
Responsible Entity fees payable at year end	1,932	5,586

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs includes responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

### (h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 30 June 2023 (30 June 2022: nil).

## **15 Related party transactions (continued)**

### **(i) Investments**

The Fund did not hold any investments in Equity Trustees Limited or its related parties for the year (30 June 2022: nil).

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

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

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

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 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 29 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry  
Chairman

Melbourne  
21 September 2023

## Independent Auditor's Report to the Unitholders of American Century Global Small Cap Fund

### *Opinion*

We have audited the financial report of the American Century Global Small Cap Fund (the "Fund") which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statements of cash flows and the statements of changes in equity for the period ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (i) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of their financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Fund (the "Directors"), would be in the same terms if given to Directors as at the time of this auditor's report.

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

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report for the period ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The Directors are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation and accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Regulations 2001* and is appropriate to meet the needs of the Directors. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Jonathon Corbett".

Jonathon Corbett  
Partner  
Chartered Accountants

Melbourne, 21 September 2023