

**OHA Diversified Credit Strategies Fund  
(AUD Onshore Feeder)**

ABN 90 397 264 530

**Annual report**

**For the year ended 30 June 2021**

# **OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**

ABN 90 397 264 530

## **Annual report For the year ended 30 June 2021**

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This annual report covers OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) as an individual entity.

The Trustee of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Trustee's registered office is:

Level 1, 575 Bourke Street  
Melbourne, VIC 3000.

## Directors' report

The directors of Equity Trustees Limited, the Trustee of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) (the "Trust"), present their report together with the financial statements of the Trust for the year ended 30 June 2021.

### Principal activities

The Trust invests substantially all of its assets in shares in OHA Diversified Credit Strategies Fund (AUD Feeder) Ltd (the "Cayman Fund"), a Cayman Islands exempted company, in accordance with the Information Memorandum and the provisions of the Trust Deed.

The Trust did not have any employees during the year.

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

The various service providers of the Trust are detailed below:

<b>Service</b>	<b>Provider</b>
Trustee	Equity Trustees Limited
Investment Manager	Oak Hill Advisors (Australia) Pty Ltd
Investment Advisor	Oak Hill Advisors, L.P.
Custodian	Australia and New Zealand Banking Group Limited
Administrator and Registrar	Link Fund Solutions Pty Limited
Statutory Auditor	KPMG

### Directors

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

Philip D Gentry (Chairman)  
Harvey H Kalman (resigned 1 September 2020)  
Ian C Westley (resigned 3 July 2020)  
Michael J O'Brien  
Russell W Beasley (appointed 1 September 2020)

### Review and results of operations

During the year, the Trust continued to invest its funds in accordance with the Information Memorandum and the provisions of the Trust Deed.

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

	<b>Year ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	<b>20,601</b>	(3,943)

OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)  
 Directors' report  
 30 June 2021  
 (continued)

**Review and results of operations (continued)**

	Year ended	
	30 June 2021	30 June 2020
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2015FY (Feb 15)</i></b>		
Distributions paid and payable (\$'000)	6,117	-
Distributions (cents per unit)	9.1669	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2016FY (Dec 15)</i></b>		
Distributions paid and payable (\$'000)	1,715	-
Distributions (cents per unit)	8.6727	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Jul 16)</i></b>		
Distributions paid and payable (\$'000)	1,023	-
Distributions (cents per unit)	8.6946	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Sep 16) - Distributing</i></b>		
Distributions paid and payable (\$'000)	2,385	1,229
Distributions (cents per unit)	8.0436	4.1437
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Oct 16)</i></b>		
Distributions paid and payable (\$'000)	832	-
Distributions (cents per unit)	9.0991	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Nov 16) - Distributing</i></b>		
Distributions paid and payable (\$'000)	1,202	619
Distributions (cents per unit)	8.1133	4.1803
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Jul 17) - Distributing</i></b>		
Distributions paid and payable (\$'000)	961	493
Distributions (cents per unit)	8.0175	4.1107
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Oct 17)</i></b>		
Distributions paid and payable (\$'000)	-	252
Distributions (cents per unit)	-	3.4458

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Directors' report**  
**30 June 2021**  
**(continued)**

**Review and results of operations (continued)**

	<b>Year ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (May 18)</i></b>		
Distributions paid and payable (\$'000)	<b>664</b>	-
Distributions (cents per unit)	<b>9.3290</b>	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2020FY (Jun 20) - Distributing</i></b>		
Distributions paid and payable (\$'000)	<b>625</b>	74
Distributions (cents per unit)	<b>11.5693</b>	1.3713
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Aug 20) - Distributing</i></b>		
Distributions paid and payable (\$'000)	<b>647</b>	-
Distributions for the year	<b>9.5513</b>	-
<b><i>OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Oct 20) - Distributing</i></b>		
Distributions paid and payable (\$'000)	<b>163</b>	-
Distributions for the year	<b>8.1874</b>	-

**Significant changes in the state of affairs**

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

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

**COVID-19**

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

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

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may have a significant effect on:

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

**Likely developments and expected results of operations**

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the Information Memorandum and the provisions of the Trust Deed.

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

**Indemnification and insurance of officers**

No insurance premiums are paid for out of the assets of the Trust 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 Trust Deed and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

**Indemnification of auditor**

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

**Interests in the Trust**

The movement in units on issue in the Trust during the year is disclosed in Note 3 to the financial statements.

The value of the Trust'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 Trust 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) Instruments 2016/191*, unless otherwise indicated.

This report 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  
22 September 2021

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Statement of comprehensive income**  
**For the year ended 30 June 2021**

**Statement of comprehensive income**

	Year ended	
	30 June 2021	30 June 2020
Note	\$'000	\$'000
<b>Investment income</b>		
Interest income from financial assets at amortised cost	-	5
Net gains/(losses) on financial instruments at fair value through profit or loss	<b>20,796</b>	(3,738)
Expense reimbursement income	-	28
<b>Total investment income/(loss)</b>	<b>20,796</b>	<b>(3,705)</b>
<b>Expenses</b>		
Interest expense	-	32
Management fees	<b>95</b>	91
Administration fees	<b>72</b>	70
Remuneration of auditor	<b>20</b>	20
Legal fees	<b>5</b>	20
Other expenses	<b>3</b>	5
<b>Total expenses</b>	<b>195</b>	238
<b>Profit/(loss) before finance costs attributable to unit holders for the year</b>	<b>20,601</b>	<b>(3,943)</b>
<b>Finance costs attributable to unit holders</b>		
Distributions to unit holders	4 <b>(16,334)</b>	(2,667)
(Increase)/decrease in net assets attributable to unit holders	<b>(4,267)</b>	6,610
<b>Profit/(loss) for the year</b>	-	-
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	-	-

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

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Statement of financial position**  
**As at 30 June 2021**

**Statement of financial position**

		<b>As at</b>	
	<b>Note</b>	<b>30 June 2021 \$'000</b>	<b>30 June 2020 \$'000</b>
<b>Assets</b>			
Cash and cash equivalents	5	80	63
Receivables	7	22	22
Receivable for units redeemed		199,060	171,577
<b>Total assets</b>		<b>199,162</b>	<b>171,662</b>
<b>Liabilities</b>			
Distributions payable		14,516	74
Payables	8	604	593
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<b>15,120</b>	<b>667</b>
<b>Net assets attributable to unit holders - liability</b>	3(a)	<b>184,042</b>	<b>170,995</b>

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



**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**

**Statement of changes in equity**

	<b>Year ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<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 unit holders	-	-
<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.*

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Statement of cash flows**  
**For the year ended 30 June 2021**

**Statement of cash flows**

	<b>Year ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
Note	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	<b>188,608</b>	190,939
Payments for purchase of financial instruments at fair value through profit or loss	<b>(195,295)</b>	(185,827)
Interest income received from financial assets at amortised cost	-	7
Other income received	-	2
Interest expense paid	-	(32)
Management fees paid	<b>(90)</b>	(85)
Administration fees paid	<b>(66)</b>	(70)
Remuneration of auditor paid	<b>(20)</b>	(20)
Expense reimbursement fees paid	-	(20)
Other expenses paid	<b>(8)</b>	(6)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6(a) (6,871)</b>	4,888
<b>Cash flows from financing activities</b>		
Proceeds from applications by unit holders	<b>8,780</b>	5,400
Payments for redemptions by unit holders	-	(8,908)
Distributions paid to unit holders	<b>(1,892)</b>	(3,637)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>6,888</b>	(7,145)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17</b>	(2,257)
Cash and cash equivalents at the beginning of the year	<b>63</b>	2,320
<b>Cash and cash equivalents at the end of the year</b>	<b>5 80</b>	63
Non-cash operating and financing activities	<b>6(b) -</b>	5,341

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

## Notes to the financial statements

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## **1 General information**

These special purpose financial statements cover OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) (the "Trust") as an individual entity. The Trust was constituted on 19 August 2014 and will terminate in accordance with the provisions of the Trust Deed or by Law.

The Trustee of the Trust is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Trustee"). The Trustee'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 Trust invests substantially all of its assets in shares in OHA Diversified Credit Strategies Fund (AUD Feeder) Ltd (the "Cayman Fund"), a Cayman Islands exempted company, in accordance with the Information Memorandum and the provisions of the Trust Deed.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Trustee 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**

The Trust is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Trust Deed.

The financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), and the following disclosure requirements:

- AASB 101 *Presentation of Financial Statements*;
- AASB 107 *Statement of Cash Flows*;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- AASB 1048 *Interpretation of Standards*; and
- AASB 1054 *Australian Additional Disclosures*

The Trust is a for-profit entity for the purposes of preparing the financial statements.

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

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

#### *(i) New and amended standards adopted by the Trust*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### *(ii) 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 2021 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 Trust.

### **(b) Financial instruments**

#### *(i) Classification*

- Financial assets

The Trust 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 Trust 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 Trust's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust'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 investments in shares in the Cayman Fund, 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 and receivables, 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

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 payable, audit and tax fees payable, expense recovery payable and administration fees payable).

#### *(ii) Recognition and derecognition*

The Trust 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 Trust has transferred substantially all the risks and rewards of ownership. 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.

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

### **(b) Financial instruments (continued)**

#### *(iii) Measurement*

- Financial instruments at fair value through profit or loss

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

Subsequent to initial recognition, all financial assets and 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.

- 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 and payables are carried at amortised cost.

#### *(iv) Impairment*

At each reporting date, the Trust shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents and 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 Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party 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 Trust 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 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 Trust 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

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

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Trustee if it is in the best interests of the unit holders. The Trust invests, indirectly, a significant proportion of its assets in unlisted illiquid investments. Accordingly, the Trustee may not be able to satisfy redemption requests received from time to time. The units are classified as financial liabilities.

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

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

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

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 Trust.

### **(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 these securities represents the Trust's main income generating activity.

### **(e) Investment income**

- *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 or liability and of allocating the interest income or expense 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 or liability. When calculating the effective interest rate, the Trust 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.

### **(f) Expenses**

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

### **(g) Income tax**

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

The Trust 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 statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

### **(h) Distributions**

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

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

Income not distributed is included in net assets attributable to unit holders. Where the Trust'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.

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

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

#### *Functional and presentation currency*

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

### **(k) Receivables**

Receivables may include amounts for interest. Where applicable, interest is accrued on a monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

### **(l) Payables**

Payables include liabilities and accrued expenses owed by the Trust and any distributions declared which are unpaid as at the end of the reporting period.

A separate distributions 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.

### **(m) Applications and redemptions**

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

### **(n) Goods and services tax (GST)**

The investment portfolio composition is 100% offshore investments. All expenses will incur GST at 10% but will be entitled to a Reduced Input Tax Credits (RITC) rate of at least 55%. Hence 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.

### **(o) Use of estimates and judgements**

The Trust 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.

The Trust estimates that the resultant expected credit loss (ECL) derived from using impairment model has not materially impacted the Trust.

### **(p) Rounding of amounts**

The Trust 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.



OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)  
Notes to the financial statements  
For the year ended 30 June 2021  
(continued)

### 3 Net assets attributable to unit holders - liability

#### (a) Movement in net assets attributable to unit holders during the year

	Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	170,995	174,290
Applications	8,780	5,400
Redemptions	-	(7,426)
Reinvestment of distributions	-	5,341
Increase/(decrease) in net assets attributable to unit holders	4,267	(6,610)
<b>Closing balance</b>	<b>184,042</b>	<b>170,995</b>

#### (b) Movement in the number of units on issue

As at 30 June 2021	Opening balance Units '000	Applications Units '000	Redemptions Units '000	Reinvestment of distributions Units '000	Closing balance Units '000
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2015FY (Feb 15)	66,734	-	-	-	66,734
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2016FY (Dec 15)	19,769	-	-	-	19,769
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Jul 16)	11,766	-	-	-	11,766
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Sep 16) - Distributing	29,638	-	-	-	29,638
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Oct 16)	9,142	-	-	-	9,142
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Nov 16) - Distributing	14,800	-	-	-	14,800
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Jul 17) - Distributing	12,000	-	-	-	12,000
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (May 18)	7,120	-	-	-	7,120
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2020FY (Jun 20) - Distributing	5,400	-	-	-	5,400
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Aug 20) - Distributing	-	6,780	-	-	6,780
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Oct 20) - Distributing	-	2,000	-	-	2,000
<b>Total</b>	<b>176,369</b>	<b>8,780</b>	<b>-</b>	<b>-</b>	<b>185,149</b>

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**  
**(continued)**

**3 Net assets attributable to unit holders - liability (continued)**

**(b) Movement in the number of units on issue (continued)**

As at 30 June 2020	Opening balance Units '000	Applications Units '000	Redemptions Units '000	Reinvestment of distributions Units '000	Closing balance Units '000
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2015FY (Feb 15)	63,824	-	-	2,910	66,734
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2016FY (Dec 15)	18,916	-	-	853	19,769
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Jul 16)	11,257	-	-	509	11,766
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Sep 16) - Distributing	29,638	-	-	-	29,638
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Oct 16)	8,759	-	-	383	9,142
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Nov 16) - Distributing	14,800	-	-	-	14,800
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Jul 17) - Distributing	12,000	-	-	-	12,000
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Oct 17)	6,979	-	(7,301)	322	-
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (May 18)	6,808	-	-	312	7,120
OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2020FY (Jun 20) - Distributing	-	5,400	-	-	5,400
<b>Total</b>	<b>172,981</b>	<b>5,400</b>	<b>(7,301)</b>	<b>5,289</b>	<b>176,369</b>

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

There are 11 series of units (2020: 9 series of units). Each unit within the same series has the same rights as all other units within that series.

Units are redeemed on demand at the unit holder's 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.

**OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**  
**(continued)**

**4 Distributions to unit holders**

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2015FY (Feb 15)</b>				
June (payable)	6,117	9.1669	-	-
<b>Total distributions</b>	<b>6,117</b>	<b>9.1669</b>	-	-

<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2016FY (Dec 15)</b>				
June (payable)	1,715	8.6727	-	-
<b>Total distributions</b>	<b>1,715</b>	<b>8.6727</b>	-	-

<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Jul 16)</b>				
Distributions payable	1,023	8.6946	-	-
<b>Total distributions</b>	<b>1,023</b>	<b>8.6946</b>	-	-

<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Sep 16) - Distributing</b>				
September	308	1.0391	635	2.1423
December	260	0.8769	191	0.6431
March	245	0.8248	403	1.3583
June (payable)	1,572	5.3028	-	-
<b>Total distributions</b>	<b>2,385</b>	<b>8.0436</b>	1,229	4.1437

<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Oct 16)</b>				
June (payable)	832	9.0991	-	-
<b>Total distributions</b>	<b>832</b>	<b>9.0991</b>	-	-

OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)  
Notes to the financial statements  
For the year ended 30 June 2021  
(continued)

**4 Distributions to unit holders (continued)**

	Year ended		Year ended	
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2017FY (Nov 16) - Distributing</b>				
September	155	1.0482	-	-
December	131	0.8846	416	2.8100
March	124	0.8320	203	1.3703
June (payable)	792	5.3485	-	-
<b>Total distributions</b>	<b>1,202</b>	<b>8.1133</b>	619	4.1803

**Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Jul 17) - Distributing**

September	119	0.9956	171	1.4259
December	105	0.8781	163	1.3619
March	99	0.8259	159	1.3229
June (payable)	638	5.3179	-	-
<b>Total distributions</b>	<b>961</b>	<b>8.0175</b>	493	4.1107

**Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (Oct 17)**

March	-	-	252	3.4458
<b>Total distributions</b>	<b>-</b>	<b>-</b>	252	3.4458

**Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2018FY (May 18)**

June (payable)	664	9.3290	-	-
<b>Total distributions</b>	<b>664</b>	<b>9.3290</b>	-	-

**Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2020FY (Jun 20) - Distributing**

December	59	1.0872	-	-
March	48	0.8928	-	-
June (payable)	518	9.5893	74	1.3713
<b>Total distributions</b>	<b>625</b>	<b>11.5693</b>	74	1.3713

OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)  
Notes to the financial statements  
For the year ended 30 June 2021  
(continued)

**4 Distributions to unit holders (continued)**

	Year ended		Year ended	
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
<b>Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Aug 20) - Distributing</b>				
December	70	1.0280	-	-
March	59	0.8768	-	-
June (payable)	518	7.6465	-	-
<b>Total distributions</b>	<b>647</b>	<b>9.5513</b>	-	-

**Distributions - OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) - 2021FY (Oct 20) - Distributing**

December	19	0.9643	-	-
March	17	0.8662	-	-
June (payable)	127	6.3569	-	-
<b>Total distributions</b>	<b>163</b>	<b>8.1874</b>	-	-

	Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000
<b>Total distributions</b>	<b>16,334</b>	2,667

**5 Cash and cash equivalents**

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Cash at bank	80	63
<b>Total cash and cash equivalents</b>	<b>80</b>	63

## 6 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

	Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	4,267	(6,610)
Distributions to unit holders	16,334	2,667
Proceeds from sale of financial instruments at fair value through profit or loss	188,608	190,939
Payments for purchase of financial instruments at fair value through profit or loss	(195,295)	(185,827)
Net (gains)/losses on financial instruments at fair value through profit or loss	(20,796)	3,738
Net change in receivables	-	4
Net change in payables	11	(23)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(6,871)</b>	<b>4,888</b>

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

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

	-	5,341
<b>Total non-cash operating and financing activities</b>	<b>-</b>	<b>5,341</b>

As described in Note 2(i), 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.

## 7 Receivables

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
GST receivable	22	22
<b>Total receivables</b>	<b>22</b>	<b>22</b>

## 8 Payables

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Management fees payable	27	22
Audit and tax fees payable	22	22
Expense recovery payable	537	537
Administration fees payable	18	12
<b>Total payables</b>	<b>604</b>	<b>593</b>

## 9 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	Year ended	
	30 June 2021 \$	30 June 2020 \$
<b>KPMG</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	10,000	10,000
Total auditor remuneration and other assurance services	<b>10,000</b>	<b>10,000</b>
<i>Taxation services</i>		
Tax compliance services	10,438	10,334
Total remuneration for taxation services	<b>10,438</b>	<b>10,334</b>
<b>Total remuneration of KPMG</b>	<b>20,438</b>	<b>20,334</b>

The auditor's remuneration is borne by the Trust. Fees are stated exclusive of GST.

## 10 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 Trust as disclosed in the statement of financial position as at 30 June 2021 or on the results and cash flows of the Trust for the year ended on that date.

## 11 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2021 and 30 June 2020.

## Directors' declaration

As stated in Note 2(a) of the financial statements, the Trust is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Trust Deed.

In the opinion of the directors of the Trustee:

- (a) The financial statements and notes set out on pages 6 to 22:
  - (i) comply with Australian Accounting Standards and other mandatory professional reporting requirements, to the extent outlined in Note 2 to the financial statements; and
  - (ii) give a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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  
22 September 2021





# Independent Auditor's Report

To the unit holders of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)

## Opinion

We have audited the **Financial Report** of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) as at 30 June 2021, and of its financial for the year then ended, in accordance with the basis of preparation described in Note 2(a) to the financial statements.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies; and
- Directors' Declaration made by the Directors of Equity Trustees Limited (the Responsible Entity).

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with the 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 fulfilled our other ethical responsibilities in accordance with the Code.

## Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 2(a) to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Directors of Equity Trustees Limited (the Responsible Entity):

- in meeting the financial reporting requirements of the trust deed

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Responsible Entity of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) and members of the Fund and should not be used by or distributed to parties



other than the Responsible Entity of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) and members of the Fund. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Responsible Entity of OHA Diversified Credit Strategies Fund (AUD Onshore Feeder) and members of the Fund or for any other purpose than that for which it was prepared.

## Other Information

Other Information is financial and non-financial information in OHA Diversified Credit Strategies Fund (AUD Onshore Feeder)'s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Equity Trustees Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors of Equity Trustees Limited (the Responsible Entity) are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of the trust deed and have determined that the basis of preparation described in Note 2(a) to the Financial Report is appropriate to meet the needs of the members
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.

KPMG

Quang Dang

*Partner*

Sydney

22 September 2021