

# **BNP Paribas Australian Equity Benchmark Insensitive Trust**

ARSN 092 330 697

**Special purpose annual report  
For the period 1 July 2018 to 28 June 2019**

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This special purpose annual report covers BNP Paribas Australian Equity Benchmark Insensitive Trust as an individual entity.

The Responsible Entity of BNP Paribas Australian Equity Benchmark Insensitive Trust 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 BNP Paribas Australian Equity Benchmark Insensitive Trust (the "Fund"), present their report together with the special purpose financial statements of the Fund, for the period 1 July 2018 to 28 June 2019.

### Principal activities

Until its termination on 28 June 2019, the Fund invested in Australian listed equity securities and listed unit trusts in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

During the period, all assets of the Fund were liquidated and returned to unit holders.

The Fund did not have any employees during the period.

The various service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	Equity Trustees Limited
Investment Manager	BNP PARIBAS ASSET MANAGEMENT Australia Limited
Sub Investment Manager	JCP Investment Partners Ltd*
Custodian and Administrator	BNP Paribas Fund Services Australasia Pty Limited
Statutory Auditor	PricewaterhouseCoopers

\*The Fund changed its sub investment manager from Arnhem Investment Management Pty Ltd to JCP Investment Partners Ltd on 17 August 2018.

### Directors

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

Philip D Gentry	(Chairman)
Harvey H Kalman	
Ian C Westley	
Michael J O'Brien	(appointed 11 July 2018)

### Review and results of operations

This is the final financial statements for the Fund, which has terminated.

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

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

	<b>For the period 1 July 2018 to 28 June 2019</b>	Year ended 30 June 2018
Operating profit/(loss) for the period (\$)	<b>(4,773,050)</b>	16,220,005
Distributions paid and payable (\$)	<b>2,799,905</b>	4,942,105
Distributions (cents per unit)	<b>7.18</b>	6.65

## Directors' report (continued)

### Significant changes in the state of affairs

Michael J O'Brien was appointed as a director of Equity Trustees Limited on 11 July 2018.

The Fund changed its sub investment manager from Arnhem Investment Management Pty Ltd to JCP Investment Partners Ltd on 17 August 2018.

The Fund terminated on 28 June 2019 when all unit holders' entitlements were redeemed.

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 period.

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

No matter or circumstance has arisen since 28 June 2019 that has significantly affected, or may have a significant effect on:

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

### 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.

### Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 5 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on 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 dollar

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

## Directors' report (continued)

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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  
12 September 2019



## *Auditor's Independence Declaration*

As lead auditor for the audit of BNP Paribas Australian Equity Benchmark Insensitive Trust for the period 1 July 2018 to 28 June 2019, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in blue ink, appearing to read 'G. Sagonas', is written over a light blue horizontal line.

George Sagonas  
Partner  
PricewaterhouseCoopers

Melbourne  
12 September 2019

## Statement of comprehensive income

	Note	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
<b>Investment income</b>			
Interest income from financial assets at amortised cost		31,066	17,982
Dividend income		2,236,389	5,497,712
Trust distribution income		147,894	454,890
Net foreign exchange gain/(loss)		(1,711)	(57,081)
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(6,347,382)	12,007,745
Other income		1,290	-
<b>Total investment income/(loss)</b>		<b>(3,932,454)</b>	<b>17,921,248</b>
<b>Expenses</b>			
Management fees		455,766	1,093,836
Custody and administration fees		84,650	173,952
Transaction costs		281,289	402,719
Withholding taxes		9,076	30,736
Other expenses		9,815	-
<b>Total expenses</b>		<b>840,596</b>	<b>1,701,243</b>
<b>Operating profit/(loss) for the period</b>		<b>(4,773,050)</b>	<b>16,220,005</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(4,773,050)</b>	<b>16,220,005</b>

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

## Statement of financial position

	Note	28 June 2019 \$	As at 30 June 2018 \$
<b>Assets</b>			
Cash and cash equivalents	7	-	1,095,277
Due from brokers - receivable for securities sold		-	871,124
Receivables	9	-	1,210,773
Financial assets at fair value through profit or loss	4	-	121,998,596
<b>Total assets</b>		<u>-</u>	<u>125,175,770</u>
<b>Liabilities</b>			
Distributions payable		-	2,573,774
Due to brokers - payable for securities purchased		-	645,539
Payables	10	-	689,115
<b>Total liabilities</b>		<u>-</u>	<u>3,908,428</u>
<b>Net assets attributable to unit holders - equity</b>	5	<u>-</u>	<u>121,267,342</u>

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



## Statement of changes in equity

	Note	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
<b>Total equity at the beginning of the financial period</b>		<b>121,267,342</b>	-
Reclassification due to AMIT tax regime implementation*	5	-	206,753,441
<b>Comprehensive income for the financial period</b>			
Profit/(loss) for the period		<b>(4,773,050)</b>	16,220,005
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(4,773,050)</b>	16,220,005
<b>Transactions with unit holders</b>			
Applications	5	<b>1,538,422</b>	3,547,503
Redemptions	5	<b>(115,232,809)</b>	(101,899,139)
Reinvestment of distributions	5	-	1,587,637
Distributions paid and payable	5	<b>(2,799,905)</b>	<b>(4,942,105)</b>
<b>Total transactions with unit holders</b>		<b>(116,494,292)</b>	<b>(101,706,104)</b>
<b>Total equity at the end of the financial period*</b>		<b>-</b>	<b>121,267,342</b>

\* Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer to Note 5 for further detail.

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

## Statement of cash flows

	Note	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		220,880,250	141,453,414
Purchase of financial instruments at fair value through profit or loss		(103,908,698)	(68,558,431)
Interest income received from financial assets at amortised cost		32,693	18,107
Trust distributions received		219,347	408,630
Dividends received		2,219,805	4,371,823
GST received		42,681	23,463
Other income received		1,290	-
Management fees paid		(601,010)	(1,211,840)
Custody and administration fees paid		(111,252)	(194,923)
Transaction costs paid		(290,626)	(406,039)
Other expenses paid		(9,815)	-
<b>Net cash inflow/(outflow) from operating activities</b>	8(a)	<u>118,474,665</u>	<u>75,904,204</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		1,546,189	3,541,120
Payments for redemptions by unit holders		(115,740,741)	(74,061,664)
Distributions paid to unit holders		(5,373,679)	(8,181,877)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(119,568,231)</u>	<u>(78,702,421)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,093,566)</b>	<b>(2,798,217)</b>
Cash and cash equivalents at the beginning of the period		1,095,277	3,950,575
Effect of foreign currency exchange rate changes on cash and cash equivalents		(1,711)	(57,081)
<b>Cash and cash equivalents at the end of the period</b>	7	<u>-</u>	<u>1,095,277</u>
Non-cash operating and financing activities	8(b)	1,094,753	31,284,801

*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 BNP Paribas Australian Equity Benchmark Insensitive Trust (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 4 April 2000. The Fund terminated its operation on 28 June 2019 when all assets of the Fund were realised and all units were redeemed out of the Fund.

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.

Until its termination on 28 June 2019, the Fund invested in Australian listed equity securities and listed unit trusts 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 the period presented, unless otherwise stated in the following text.

### a. Basis of preparation

The Fund 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 Fund's Constitution.

As the Fund was terminated on 28 June 2019, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a liquidation basis. The liquidation basis means assets have been written down to the lower of their carrying amounts and net realisable value and additional liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. As there were no assets or liabilities at the reporting date, adopting the liquidation basis did not change the carrying amounts of any assets or liabilities.

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), the Corporations Act 2001 in Australia 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 Fund is a for-profit entity for the purposes of preparing the financial statements.

#### *i. New and amended standards adopted by the Fund*

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 '*Financial Instruments*' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. AASB 9 also introduces a new expected credit loss (ECL) impairment model.

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

### a. Basis of preparation (continued)

#### i. *New and amended standards adopted by the Fund (continued)*

- AASB 9 *Financial Instruments* (and applicable amendments) (continued)

AASB 9 has been applied retrospectively by the Fund without the use of hindsight and it has determined that adoption did not result in a change to the classification or measurement of financial instruments in either the current or prior periods. The Fund has elected to restate the comparative period presented to comply with AASB 9. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

- AASB 15 *Revenue from Contracts with Customers*

AASB 15 became effective for annual periods beginning on or after 1 January 2018 which is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends, distributions and gains on financial instruments at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a material impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

#### 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 January 2019, 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.

### 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 performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, 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, due from brokers and receivables, these assets are held in order to collect the contractual cash flows and 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, due to brokers, investment management fees payable, Responsible Entity fees payable, custody and administration fees payable, redemptions payable and transaction cost payables).

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

### b. Financial instruments (continued)

#### 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 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 liabilities are discharged.

#### iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures its investments, which are classified as financial assets at fair value through profit or loss, 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 at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets 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.

For financial assets at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured according to their classification.

#### iv. Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash, due from brokers 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 Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### 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.

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 Responsible Entity if it is in the best interests of the unit holders.

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)

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

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

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

### 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 represent the Fund's main income generating activity.

### e. Investment income

#### i. Interest income

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

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 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 and distributions

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.

Trust distributions are recognised on an entitlements basis.

### f. Expenses

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

### 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.

### 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 changes in equity.

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

### **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.

### **j. Due from/to brokers**

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

### **k. Receivables**

Receivables may include amounts for interest, dividends and trust distributions. 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.

### **l. Payables**

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared 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 30 June of the same financial period.

### **m. 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.

### **n. 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 onto 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.

### **o. Use of estimates**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates 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 adoption of AASB 9 introduced a new expected credit loss (ECL) impairment model, which has not materially impacted the Fund.

### **p. 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 off to the nearest dollar, unless otherwise indicated.



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

### q. Comparative revisions

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

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

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

	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
<b>Financial assets</b>		
Net realised gain/(loss) on financial assets at fair value through profit or loss	(6,347,382)	15,740,424
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	-	(3,732,679)
Net gains/(losses) on financial assets at fair value through profit or loss	<u>(6,347,382)</u>	<u>12,007,745</u>
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<u>(6,347,382)</u>	<u>12,007,745</u>

## 4. Financial assets at fair value through profit or loss

	28 June 2019 \$	As at 30 June 2018 \$
Australian listed equity securities	-	115,202,232
Australian listed trusts	-	6,796,364
<b>Total financial assets at fair value through profit or loss*</b>	<u>-</u>	<u>121,998,596</u>

\* The Fund's investments in equity securities and listed trusts were previously designated at fair value through profit or loss. On adoption of AASB 9 all above investments are mandatorily classified as financial assets at fair value through profit or loss.

## 5. Net assets attributable to unit holders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions, as described in Note 2(c).

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

	For the period 1 July 2018 to 28 June 2019		Year ended 30 June 2018	
	Units	\$	Units	\$
Opening balance	67,665,944	121,267,342	124,776,305	206,753,441
Applications	883,832	1,538,422	2,102,474	3,547,503
Redemptions	(68,549,776)	(115,232,809)	(60,117,296)	(101,899,139)
Units issued upon reinvestment of distributions	-	-	904,461	1,587,637
Distributions paid and payable	-	(2,799,905)	-	(4,942,105)
Profit/(loss) for the period	-	(4,773,050)	-	16,220,005
<b>Closing balance</b>	<u>-</u>	<u>-</u>	<u>67,665,944</u>	<u>121,267,342</u>

## 5. Net assets attributable to unit holders (continued)

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 no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

## 6. Distributions to unit holders

The distributions declared for the period were as follows:

	For the period 1 July 2018 to 28 June 2019		Year ended 30 June 2018	
	\$	CPU	\$	CPU
November	445,959	0.80	-	-
August	-	-	1,200,592	1.07
May	2,353,946	6.38	-	-
June	-	-	3,741,512	5.58
<b>Total distributions</b>	<b>2,799,905</b>	<b>7.18</b>	<b>4,942,104</b>	<b>6.65</b>

The November distribution represents a special distribution paid by the Fund due to a unit holder redemption of greater than 5% of the net assets of the Fund. Due to this redemption, as outlined in the Product Disclosure Statement, a portion of the withdrawal proceeds represented distributable income to the redeeming unit holder. Refer to the Fund's Product Disclosure Statement for details on special distributions.

## 7. Cash and cash equivalents

	As at	
	28 June 2019 \$	30 June 2018 \$
Cash at bank	-	1,095,277
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>1,095,277</b>

These accounts are earning interest at a floating interest rate between 0.00% and 1.89% as at 28 June 2019 (2018: 0.00% and 1.00%).

## 8. 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

	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
	Profit/(loss) for the period	(4,773,050)
Proceeds from sale of financial instruments at fair value through profit or loss	220,880,250	141,453,414
Purchase of financial instruments at fair value through profit or loss	(103,908,698)	(68,558,431)
Net (gains)/losses on financial instruments at fair value through profit or loss	6,347,382	(12,007,745)
Investment income reinvested	(1,094,753)	(1,459,810)
Net foreign exchange (gain)/loss	1,711	57,081
Net change in receivables	1,203,006	341,985
Net change in payables	(181,183)	(142,295)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>118,474,665</b>	<b>75,904,204</b>

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

	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
b. Non-cash operating and financing activities		
During the period, the following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	-	1,587,637
During the period, the following applications were satisfied by participation in dividend and distribution reinvestment plans	1,094,753	1,459,810
In specie transfer in return for units (redemptions)	-	28,237,354
<b>Total non-cash operating and financing activities</b>	<b>1,094,753</b>	<b>31,284,801</b>

## 9. Receivables

	28 June 2019 \$	As at 30 June 2018 \$
Dividends receivable	-	990,819
Distributions receivable	-	167,879
Interest receivable from financial assets at amortised cost	-	1,627
GST receivable	-	42,681
Applications receivable	-	7,767
<b>Total receivables</b>	<b>-</b>	<b>1,210,773</b>

## 10. Payables

	28 June 2019 \$	As at 30 June 2018 \$
Investment management fees payable	-	139,927
Responsible Entity fees payable	-	5,317
Custody and administration fees payable	-	26,602
Redemptions payable	-	507,932
Transaction costs payable	-	9,337
<b>Total payables</b>	<b>-</b>	<b>689,115</b>

## 11. Remuneration of auditor

During the period the following fees were paid or payable for services provided by the auditor of the Fund:

	For the period 1 July 2018 to 28 June 2019 \$	Year ended 30 June 2018 \$
<b>PricewaterhouseCoopers</b>		
<i>Audit services</i>		
Audit and review of financial statements	17,370	20,449
Audit of compliance plan	2,922	2,922
Total remuneration for audit services	20,292	23,371
<i>Taxation services</i>		
Tax compliance services	11,702	9,036
Total remuneration for taxation services	11,702	9,036
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>31,994</b>	<b>32,407</b>

The auditor's remuneration is borne by the Investment Manager, BNP PARIBAS ASSET MANAGEMENT Australia Limited. Fees are stated exclusive of GST.

## 12. Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 28 June 2019 or on the results and cash flows of the Fund for the period ended on that date.

## 13. Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 28 June 2019 and 30 June 2018.

## Directors' declaration

As stated in Note 2(a) of the financial statements, the Fund 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 *Corporations Act 2001*.

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 6 to 19:
  - 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 Fund's financial position as at 28 June 2019 and of its performance for the financial period ended on that date.
- b. As outlined in Note 1 to the financial statements, the Fund terminated its operations on 28 June 2019 and all units were redeemed out of the Fund.

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  
12 September 2019



## *Independent auditor's report*

To the unit holders of BNP Paribas Australian Equity Benchmark Insensitive Trust

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### *Our opinion*

In our opinion:

The accompanying financial report of BNP Paribas Australian Equity Benchmark Insensitive Trust (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 28 June 2019 and of its financial performance for the period 1 July 2018 to 28 June 2019
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 28 June 2019
- the statement of comprehensive income for the period 1 July 2018 to 28 June 2019
- the statement of changes in equity for the period 1 July 2018 to 28 June 2019
- the statement of cash flows for the period 1 July 2018 to 28 June 2019
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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### *Basis for opinion*

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

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

### ***Independence***

We are independent of the 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.

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### *Emphasis of matter - going concern no longer appropriate*

We draw attention to Note 2(a) in the financial report, which indicates that the directors of Equity Trustees Limited (the Responsible Entity) terminated the Fund on 28 June 2019. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
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Liability limited by a scheme approved under Professional Standards Legislation.



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### *Emphasis of matter - basis of accounting and restriction on use*

We draw attention to Note 2(a) in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for BNP Paribas Australian Equity Benchmark Insensitive Trust and its unit holders and should not be used by parties other than BNP Paribas Australian Equity Benchmark Insensitive Trust and its unit holders. Our opinion is not modified in respect of this matter.

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### *Other information*

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the period 1 July 2018 to 28 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

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

The directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2(a) to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.



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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to be 'G. Sagonas'.

George Sagonas  
Partner

Melbourne  
12 September 2019