

LGT Multi-Alternatives Australia Fund

ARSN 649 957 228

Annual report

For the year ended 30 June 2023

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Independent auditor's report to the unit holders of LGT Multi-Alternatives Australia Fund

This annual report covers LGT Multi-Alternatives Australia Fund as an individual entity.

The Responsible Entity of LGT Multi-Alternatives Australia Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of LGT Multi-Alternatives Australia Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2023.

Principal activities

The Fund is an Australian Feeder Fund, which invests into the LGT Multi-Alternatives (Global) Sub-Fund (the Underlying Fund), managed by LGT Capital Partners Limited (Investment manager).

The Fund invests into the LGT Multi-Alternatives (Global) Sub-Fund, a sub-fund of Crown Alpha plc, an Irish-domiciled umbrella investment company which is structured as an open-ended vehicle with variable capital in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

The various service providers of the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	LGT Capital Partners Ltd.
Administrator and Custodian	Apex Fund Services Pty Ltd (An Apex Group Company)*
Statutory Auditor	PricewaterhouseCoopers
Legal Advisor	DLA Piper Australia

*Effective on 21 October 2022, Mainstream Fund Services Pty Ltd changed its name to Apex Fund Services Pty Ltd.

Directors

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

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

Review and results of operations

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

The Fund's performance for Class AUD and Class NZD was 2.78% and 0.80% (net of fees) respectively for the year ended 30 June 2023 (2022: 9.75% and 9.86% (net of fees) for Class AUD and Class USD respectively). The Fund's benchmark for Class AUD, the RBA Cash Rate returned 2.45% (2022: 0.12%) for the same period. There is no benchmark for NZD Class.

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

	For the year ended 30 June 2023	For the period 13 May 2021 to 30 June 2022
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	3,001	5,822

There were no distributions declared for the year ended 30 June 2023 and the period 13 May 2021 to 30 June 2022.

The portfolio of the underlying fund continues to be widely diversified across strategies and asset classes. It is therefore well positioned to cope with the challenges of the current market environment.

Significant changes in the state of affairs

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

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

Directors' report (continued)

Matters subsequent to the end of the financial year

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

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 14 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 14 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

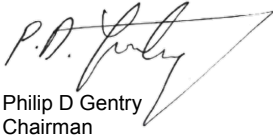
Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

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 the Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
28 September 2023



Auditor's Independence Declaration

As lead auditor for the audit of LGT Multi-Alternatives Australia Fund for the year ended 30 June 2023, 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 black ink, appearing to read 'CJ Cummins', written over a horizontal line.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
28 September 2023

Statement of comprehensive income

	Note	For the year ended 30 June 2023 \$'000	For the period 13 May 2021 to 30 June 2022 \$'000
Investment income			
Net foreign exchange gain/(loss)		(265)	63
Net gains/(losses) on financial instruments at fair value through profit or loss		4,773	6,699
Total investment income/(loss)		4,508	6,762
Expenses			
Management fees and costs	14	1,504	574
Performance fees	14	2	310
Other expenses		1	56
Total expenses		1,507	940
Profit/(loss) before finance costs attributable to unit holders for the year		3,001	5,822
Finance costs attributable to unit holders			
(Increase)/decrease in net assets attributable to unit holders		(3,001)	(5,822)
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

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

Statement of financial position

		As at	
	Note	30 June 2023 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents	9	6,938	4,181
Receivables	11	3	6
Investment subscriptions paid in advance		4,321	3,714
Financial assets at fair value through profit or loss	5	126,366	86,502
Total assets		137,628	94,403
Liabilities			
Payables	12	478	486
Applications received in advance		7,552	7,614
Redemption payable		3,227	1
Total liabilities (excluding net assets attributable to unit holders)		11,257	8,101
Net assets attributable to unit holders - liability	7	126,371	86,302

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

Statement of changes in equity

	Note	For the year ended 30 June 2023 \$'000	For the period 13 May 2021 to 30 June 2022 \$'000
Total equity at the beginning of the financial year		-	-
Comprehensive income for the financial year *			
Profit/(loss) for the year		-	-
Total comprehensive income		-	-
Transactions with unit holders			
Applications	7	-	-
Redemptions	7	-	-
Total transactions with unit holders		-	-
Total equity at the end of the financial year *		-	-

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

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

Statement of cash flows

	Note	For the year ended 30 June 2023 \$'000	For the period 13 May 2021 to 30 June 2022 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		21,951	55
Payments for purchase of financial instruments at fair value through profit or loss		(57,042)	(79,858)
Payments in advance for purchase of financial instruments at fair value through profit or loss		(607)	(3,714)
Management fees and costs paid		(1,195)	(416)
Performance fees paid		(310)	-
Other expenses paid		(9)	(43)
Net cash inflow/(outflow) from operating activities	10	(37,212)	(83,976)
Cash flows from financing activities			
Proceeds from applications by unit holders		66,925	80,495
Proceeds from application received in advance by unit holders		(62)	7,614
Payments for redemptions by unit holders		(26,629)	(15)
Net cash inflow/(outflow) from financing activities		40,234	88,094
Net increase/(decrease) in cash and cash equivalents		3,022	4,118
Cash and cash equivalents at the beginning of the year		4,181	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(265)	63
Cash and cash equivalents at the end of the year	9	6,938	4,181

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 financial statements cover LGT Multi-Alternatives Australia Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 5 May 2021 and will terminate in accordance with the provisions of the Fund's Constitution or by law.

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

The Fund invests into the LGT Multi-Alternatives (Global) Sub-Fund, a sub-fund of Crown Alpha plc, an Irish-domiciled umbrella investment company which is structured as an open-ended vehicle with variable capital 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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unit holders.

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

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

i. Compliance with International Financial Reporting Standards (IFRS)

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

ii. New and amended standards adopted by the Fund

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

iii. New standards and interpretations not yet adopted

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

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

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

2 Summary of significant accounting policies (continued)

b. Financial instruments (continued)

i. Classification (continued)

- Financial assets (continued)

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For cash and cash equivalents, due from brokers, 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 (payables, applications received in advance and redemption payable).

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 liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset 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 fair value of '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 further details on how they fair value of financial instruments is determined, please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets 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, due from brokers, receivables, are carried at amortised cost.

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, 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 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.

2 Summary of significant accounting policies (continued)

b. Financial instruments (continued)

iv. Impairment (continued)

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount 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 year, 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 in the Fund are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 *Financial instruments: Presentation*.

The units can be put back to the Fund at monthly basis 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 reporting date if the holder exercises the right to put the units back to the Fund.

d. Cash and cash equivalents

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

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

e. Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

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

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

2 Summary of significant accounting policies (continued)

e. Investment income (continued)

ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Trust distributions are recognised on an entitlement basis.

f. Expenses

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

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

g. Income tax

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

The Fund currently 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 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.

i. Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

j. Due from/to brokers

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

k. Receivables

Receivables may include amounts for interest and dividends. Dividends 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.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

l. Payables

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

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 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 on to the Fund. The Fund qualifies for 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 and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial period. 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.

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

The Fund estimates that the resultant expected credit loss (ECL) derived from using impairment model, which has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated please refer to Note 4 to the financial statements.

p. Comparative period

The Fund was constituted on 5 May 2021, registered with the Australian Securities and Investments Commission on 13 May 2021 and commenced operations on 1 July 2021. The comparative reporting period covers the period 13 May 2021 to 30 June 2022, which exceeds a duration of 12 months. The results of operations of the comparative period are hence not completely comparable with those of the current reporting period.

q. Rounding of amounts

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

r. Comparative revisions

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

3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

All investments present a risk of loss of capital. The maximum loss of capital on unlisted collective investment schemes is limited to the fair value of those positions.

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

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

a. Market risk

i. Price risk

The Fund invests in LGT Multi-Alternatives (Global) Sub-Fund, which invests in other related funds ("investee funds"). The Fund is susceptible to market price risk arising from uncertainty about the future values of those related investee funds and their underlying investments. The investment manager makes investment decisions after an extensive assessment of the underlying fund and its strategy.

As at 30 June 2023 and 30 June 2022, LGT Multi-Alternatives (Global) Sub-Fund invested in other related investee funds with the following exposure:

30 June 2023

Investee funds - strategy

	Number of funds	% of net asset value of LGT Multi-Alternatives (Global) Sub-Fund
Commodity Trading Adviser (CTA)/Macro	5	17.9%
Insurance linked security	3	8.0%
Listed ETF's	1	1.0%
Private markets	4	66.6%
Real estate	1	5.4%
Total	14	98.9%

30 June 2022

Commodity Trading Adviser (CTA)/Macro	5	20.5%
Insurance linked security	3	7.9%
Long only fixed income	1	1.3%
Listed ETF's	1	0.9%
Private markets	4	62.5%
Real estate	1	5.8%
Total	15	98.9%

The table at Note 3(b) summarises the impact of an increase/decrease of 10% in the value of LGT Multi-Alternatives (Global) Sub-Fund on the Fund's net assets attributable to unitholders. The analysis is based on what management considers is a reasonably possible shift in the fair value of the Fund's portfolio as it represents management's best estimate of a reasonable possible shift in the underlying fund having regard to historical data based on its strategy over a 12-month period. The impact mainly arises from the reasonably possible change in the fair value of underlying equities, unlisted unit trusts and private markets.

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

The Investment Manager monitors this risk on an on-going basis. The Investment Manager manages risk on an absolute return basis in the reporting currency (i.e. Australian dollar), rather than the underlying currencies.

3 Financial risk management (continued)

a. Market risk (continued)

ii. Foreign exchange risk (continued)

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

As at 30 June 2023	US Dollars A\$'000	New Zealand Dollars A\$'000
Cash and cash equivalents	7	290
Financial assets at fair value through profit or loss	-	11,412
Receivables	-	1,077
Applications received in advance	-	(1,304)
Payables	(10)	-
Redemption payable	-	(18)
Net exposure	(3)	11,457

As at 30 June 2022	US Dollars A\$'000
Cash and cash equivalents	19
Financial assets at fair value through profit or loss	19,423
Payables	(21)
Net exposure	19,421

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

iii. Interest rate risk

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

The Fund's interest bearing financial instruments assets expose it to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows. The impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

b. Summarised sensitivity analysis

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

	Impact on operating profit/(loss)/ net assets attributable to unit holders			
	Price risk		Foreign exchange risk	
	+10% \$'000	-10% \$'000	+10% \$'000	-10% \$'000
As at 30 June 2023	12,637	(12,637)	4	(4)
As at 30 June 2022	8,650	(8,650)	-	-

c. Credit risk

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

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

3 Financial risk management (continued)

c. Credit risk (continued)

i. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

ii. Settlement of securities transactions

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

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Responsible Entity consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2023, all receivables, amount due from brokers and cash are held with counterparties with a credit rating of AA/Aa/BBB+ or higher and are either callable on demand or due to be settled within 1 week. Responsible Entity consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The Fund manages credit risk by only entering into agreements with credit worthy parties.

At 30 June 2023 and 30 June 2022, the credit ratings of the Fund's bank, sub-custodians and prime brokers as per Standard and Poor's were as follows:

	2023	2022
JP Morgan Chase Bank N.A.	A+	A+
National Australia Bank	AA-	AA-

d. Liquidity risk

The Fund is exposed to monthly cash redemptions of units. Redemption requests have to be received by the 13th calendar day of the month for that month's redemption. At 30 June 2023 and 30 June 2022, 100% of the LGT Multi-Alternatives (Global) Sub-Fund's related investee funds are subject to redemption restrictions exercisable by the manager of the investee funds to manage liquidity pressures. These include the ability to suspend redemptions or withhold varying amounts of any redemption requested.

In order to satisfy unitholder redemption requests, the Fund will redeem its investment in LGT Multi-Alternatives (Global) Sub-Fund, which allows redemption within one month or less. LGT Multi-Alternatives (Global) Sub-Fund is subject to liquidity / redemption gates which restricts the ability of its investors to redeem each month by requiring that cumulative gross redemptions do not exceed more than 5% of the net asset value of LGT Multi-Alternatives (Global) Sub-Fund per calendar quarter. As such, the directors and the manager of LGT Multi-Alternatives (Global) Sub-Fund have the ability to restrict or suspend the redemption of LGT Multi-Alternatives (Global) Sub-Fund under a range of extraordinary circumstances.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

4 Fair value measurements

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

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

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

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

4 Fair value measurements (continued)

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

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

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

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

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

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

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

b. Recognised fair value measurements

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
LGT Multi-Alternatives (Global) Sub-Fund	-	-	126,366	126,366
Total financial assets	-	-	126,366	126,366
As at 30 June 2022				
Financial assets				
LGT Multi-Alternatives (Global) Sub-Fund	-	-	86,502	86,502
Total financial assets	-	-	86,502	86,502

c. Fair Value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2023 and 30 June 2022 by class of financial instrument.

	LGT Multi- Alternatives (Global) Sub- Fund \$'000
Opening balance - 13 May 2021	-
Purchases	79,858
Sales	(55)
Gains/(losses) recognised in the statement of comprehensive income	6,699
Closing balance - 30 June 2022*	86,502
Purchases	57,042
Sales	(21,951)
Gains/(losses) recognised in the statement of comprehensive income	4,773
Closing balance - 30 June 2023*	126,366

4 Fair value measurements (continued)

c. Fair Value measurements using significant unobservable inputs (level 3) (continued)

	30 June 2023 \$'000	As at 30 June 2022 \$'000
*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting year	969	6,695

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2023 \$'000	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
LGT Multi-Alternatives (Global) Sub-Fund# 30 June 2022	126,366	Net asset value	*	*	*
LGT Multi-Alternatives (Global) Sub-Fund#	86,502	Net asset value	*	*	*

* Management is of the view that the Net Asset Value (NAV) is an appropriate basis to represent the fair value of its investments. Therefore, the fair values of these investments are sensitive to the movement in the NAV.

LGT Multi-Alternatives (Global) Sub-Fund invests in other related investee funds disclosed in Note 3(a)(i).

d. Transfer between levels

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

There were no transfer between levels in the fair value hierarchy at the end of the reporting year.

e. Financial instruments not carried at fair value

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

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

5 Financial assets at fair value through profit or loss

	30 June 2023 \$'000	As at 30 June 2022 \$'000
LGT Multi-Alternatives (Global) Sub-Fund	126,366	86,502
Total financial assets at fair value through profit or loss	126,366	86,502

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6 Structured entities

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

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

The exposure to investments in Schemes at fair value is disclosed in the following table:

	Fair Value of Investment	
	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
LGT Multi-Alternatives (Global) Sub-Fund	126,366	86,502
LGT Multi-Alternatives (Global) Sub-Fund - subscriptions paid in advance	4,321	3,714
Total unrelated Schemes	130,687	90,216

During the year ended 30 June 2023, total realised gains incurred on investments were \$3,803,726 (2022: \$3,368) and the Fund did not receive any distribution income (2022: nil).

The Fund's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as here are no off-balance sheet exposures relating to any of the Schemes. Once the Fund has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

7 Net assets attributable to unit holders - liability

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

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

	Year ended	
	30 June 2023 Units '000	30 June 2023 \$'000
Class AUD		
Opening balance	60,937	66,879
Applications	50,328	55,732
Redemptions	(9,358)	(10,405)
Increase/(decrease) in net assets attributable to unit holders	-	2,745
Closing balance	101,907	114,951
Class USD		
Opening balance	12,158	19,423
Redemptions	(12,158)	(19,423)
Closing balance	-	-
Class NZD		
Applications	12,340	11,192
Redemptions	(30)	(28)
Increase/(decrease) in net assets attributable to unit holders	-	256
Closing balance	12,310	11,420

7 Net assets attributable to unit holders - liability (continued)

	Year ended	
	30 June 2022 Units '000	30 June 2022 \$'000
Class AUD		
Opening balance	-	-
Applications	60,952	64,302
Redemptions	(15)	(16)
Increase/(decrease) in net assets attributable to unit holders	-	2,593
Closing balance	<u>60,937</u>	<u>66,879</u>
Class USD		
Opening balance	-	-
Applications	12,158	16,194
Increase/(decrease) in net assets attributable to unit holders	-	3,229
Closing balance	<u>12,158</u>	<u>19,423</u>

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

There are two (2022: two) separate classes of units and each unit within the same class has the same rights as all other units within that class, the two different classes have the same preferences and restrictions. Unit holders participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held.

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.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a monthly basis as the Fund is subject to at least monthly applications and redemptions at the discretion of unit holders.

Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a monthly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders.

8 Distributions to unit holders

There were no distributions declared for the years ended 30 June 2023 and 30 June 2022.

9 Cash and cash equivalents

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Cash at bank	6,938	4,181
Total cash and cash equivalents	<u>6,938</u>	<u>4,181</u>

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

	For the year ended 30 June 2023 \$'000	For the period 13 May 2021 to 30 June 2022 \$'000
Profit/(loss) for the year	3,001	5,822
Proceeds from sale of financial instruments at fair value through profit or loss	21,951	55
Payments for purchase of financial instruments at fair value through profit or loss	(57,042)	(79,858)
Payments in advance for purchase of financial instruments at fair value through profit or loss	(607)	(3,714)
Net gains/(losses) on financial instruments at fair value through profit or loss	(4,773)	(6,699)
Net foreign exchange gain/(loss)	265	(63)
Net change in receivables	3	(6)
Net change in payables	(10)	487
Net cash inflow/(outflow) from operating activities	(37,212)	(83,976)

11 Receivables

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
GST receivable	3	6
Total receivables	3	6

12 Payables

	As at	
	30 June 2023 \$'000	30 June 2022 \$'000
Management fees and costs payable	467	158
Performance fees payable	2	310
Operating fees payable	9	18
Total payables	478	486

13 Remuneration of auditor

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

	For the year ended 30 June 2023 \$	For the period 13 May 2021 to 30 June 2022 \$
PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
Audit of financial statements	19,100	18,150
Audit of compliance plan	2,346	2,346
Total remuneration for audit and other assurance services	21,446	20,496
<i>Taxation services</i>		
Tax compliance services	15,810	15,300
Total remuneration for taxation services	15,810	15,300
Total remuneration of PricewaterhouseCoopers	37,256	35,796

The auditor's remuneration is borne by Investment Manager. Fees are stated exclusive of GST.

14 Related party transactions

The Responsible Entity of LGT Multi-Alternatives Australia Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to LGT Capital Partners Ltd. to act as Investment Manager for the Fund, and Apex Fund Services Pty Ltd (an Apex Group Company) to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

a. Key management personnel

i. Directors

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

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

ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

iii. Other key management personnel

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

b. Transactions with key management personnel

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

c. Key management personnel unit holdings

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

d. Key management personnel compensation

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

e. Key management personnel loans

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

f. Other transactions within the Fund

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

14 Related party transactions (continued)

g. Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees. The Investment Manager is also entitled to a performance fee.

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

	For the year ended 30 June 2023	For the period 13 May 2021 to 30 June 2022
	\$	\$
Management costs and fees for the year	1,504,019	574,497
Performance fees for the year	1,538	309,574
Management costs and fees payable at year end	467,163	157,842
Performance fees payable at year end	1,538	309,574

Equity Trustees Limited earned \$41,593 (2022: \$46,749) for Responsible Entity fees provided to the Fund paid from management fees and costs.

For information on how management and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

The management fees borne by the Fund are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. Expense recoveries include Responsible Entity fees, custodian and administrator fees, audit and tax fees and other expenses.

h. Related party unit holdings

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

i. Investments

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

15 Events occurring after the reporting year

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

16 Contingent assets and liabilities and commitments

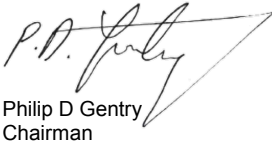
There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Philip D Gentry
Chairman

Melbourne
28 September 2023



Independent auditor's report

To the unit holders of LGT Multi-Alternatives Australia Fund

Our opinion

In our opinion:

The accompanying financial report of LGT Multi-Alternatives Australia Fund (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 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2023
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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 & 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.

Other information

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines 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 of the Responsible Entity 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 of the Responsible Entity either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins
Partner

Sydney
28 September 2023