

# **Atrium Evolution Series - Diversified Fund**

ARSN 151 191 776

## **Annual report For the year ended 30 June 2024**

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## Annual report For the year ended 30 June 2024

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These financial statements cover Atrium Evolution Series - Diversified Fund as an individual entity.

The Responsible Entity of Atrium Evolution Series - Diversified Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) . The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

## **Directors' report**

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity (the "Responsible Entity") of Atrium Evolution Series - Diversified Fund (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### **Principal activities**

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund is structured as an open-ended unit trust offering five classes of units for investment. The five classes of units and the assets attributed to each unit class are invested in one of the three sub-trusts - the AEF 5 Portfolio, the AEF 7 Portfolio and the AEF 9 Portfolio (each a Portfolio).

The Fund invests in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund was constituted on 30 May 2011.

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.

### **Directors**

The Directors of The Trust Company (RE Services) Limited during the year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

#### **Name**

Glenn Foster	
Vicki Riggio	
Alexis Dodwell	Appointed Director on 1 November 2023
Phillip Blackmore	Alternate Director for Vicki Riggio
Christopher Green	Resigned as Director on 1 November 2023

### **Review and results of operations**

During the year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

## Directors' report (continued)

### Review and results of operations (continued)

#### Results

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

	Year ended	
	30 June	30 June
	2024	2023
Profit/(loss) before finance costs attributable to unitholders (\$'000)	<b>59,168</b>	48,163
<b>Distribution - AEF 5 Class</b>		
Distribution paid and payable (\$'000)	<b>2,186</b>	1,530
Distribution (cents per unit - "CPU")	<b>2.800</b>	1.671
<b>Distribution - AEF 7 Class</b>		
Distribution paid and payable (\$'000)	<b>9,353</b>	6,065
Distribution (cents per unit - "CPU")	<b>2.952</b>	1.421
<b>Distribution - AEF 9 Class</b>		
Distribution paid and payable (\$'000)	<b>5,986</b>	4,027
Distribution (cents per unit - "CPU")	<b>2.611</b>	1.286
<b>Distribution - AEP 7 Class</b>		
Distribution paid and payable (\$'000)	<b>4,945</b>	346
Distribution (cents per unit - "CPU")	<b>3.936</b>	0.819
<b>Distribution - AEP 9 Class</b>		
Distribution paid and payable (\$'000)	<b>3,022</b>	181
Distribution (cents per unit - "CPU")	<b>4.508</b>	0.628

#### Significant changes in state of affairs

In late 2022 NAB announced they would be exiting the Custody business.

On 1 November 2023, Alexis Dodwell was appointed as Director of the Responsible Entity and Christopher Green resigned as Director of the Responsible Entity.

On 22 March 2024 National Australia Bank - Asset Servicing ("NAS") provided a termination notice advising 120 days effective from 23 March 2024 after termination NAS will continue to provide custody services and provide assistance, data and records in accordance with the termination provision of the Custody Agreement.

On 8 May 2024, Perpetual Limited announced it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the businesses and entities comprising Wealth Management and Corporate Trust from Perpetual Shareholders via a Scheme of Arrangement, for total cash consideration of A\$2.175 billion ("Scheme"). If the Scheme is implemented, The Trust Company (RE Services) Limited entity will be acquired by KKR.

The Scheme is subject to satisfaction of a number of conditions precedent set out in the Scheme Implementation Deed as well as approvals including court, regulatory and the requisite shareholder approval with implementation expected to occur in late February or early March 2025.

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

## **Directors' report (continued)**

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

In late 2022, National Australia Bank - Asset servicing ("NAS") announced they were exiting the custody and fund administration business. At the time of signing, the date of change in administration, custodian and registry provider has been delayed.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (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 governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

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

### **Indemnification and insurance of officers and auditors**

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

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

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

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

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the year.

The number of units 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.

### **Units in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 9 of 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 of the financial statements.

## Directors' report (continued)

### Environmental regulation

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

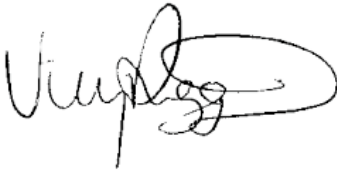
### Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director  
The Trust Company (RE Services) Limited

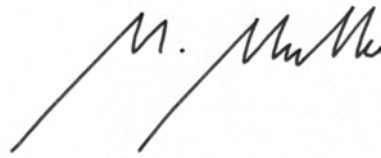
Sydney  
20 September 2024

**Auditor's Independence Declaration**

To the directors of The Trust Company (RE Services) Limited:

As lead auditor for the audit of the financial report of Atrium Evolution Series - Diversified Fund for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



**Sydney, NSW**  
**20 September 2024**

**M D Muller**  
**Partner**

**Statement of comprehensive income**

		<b>Year ended</b>	
		<b>30 June</b>	30 June
		<b>2024</b>	2023
		<b>\$'000</b>	\$'000
<b>Notes</b>			
<b>Investment income</b>			
	Distribution income	<b>37,747</b>	18,228
	Interest income from financial assets at amortised cost	<b>166</b>	88
5	Net gains on financial instruments at fair value through profit or loss	<u><b>32,439</b></u>	<u>41,742</u>
	<b>Total investment income</b>	<u><b>70,352</b></u>	<u>60,058</u>
<b>Expenses</b>			
	Management fees	<b>10,964</b>	11,570
	Other operating expenses	<u><b>220</b></u>	<u>325</u>
	<b>Total operating expenses</b>	<u><b>11,184</b></u>	<u>11,895</u>
	<b>Operating profit before finance costs attributable to unitholders</b>	<u><b>59,168</b></u>	<u>48,163</u>
<b>Finance costs attributable to unitholders</b>			
	Distributions to unitholders	<b>25,492</b>	12,149
9	Increase in net assets attributable to unitholders	<u><b>33,676</b></u>	<u>36,014</u>
	<b>Profit for the year attributable to unitholders</b>	<u><b>-</b></u>	<u>-</u>
	Other comprehensive profit/(loss) for the year attributable to unitholders	<u><b>-</b></u>	<u>-</u>
	<b>Total comprehensive profit for the year attributable to unitholders</b>	<u><b>-</b></u>	<u>-</u>

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



**Statement of financial position**

		<b>As at</b>	
		<b>30 June</b>	30 June
		<b>2024</b>	2023
	Notes	<b>\$'000</b>	\$'000
<b>Assets</b>			
Cash and cash equivalents	11	<b>4,563</b>	3,462
Due from brokers - receivable for securities sold		<b>8,769</b>	1,600
Distributions receivable		<b>28,377</b>	8,954
Unsettled applications		<b>3,043</b>	4,709
GST receivable		<b>260</b>	364
Financial assets at fair value through profit or loss	6	<b>891,938</b>	970,233
<b>Total assets</b>		<b><u>936,950</u></b>	<u>989,322</u>
<b>Liabilities</b>			
Bank overdraft		-	2
Distributions payable		<b>16,121</b>	2,874
Due to brokers - payable for securities purchased		<b>3,043</b>	4,709
Management fees payable	14	<b>903</b>	1,051
Unsettled redemptions		<b>8,769</b>	1,583
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b><u>28,836</u></b>	<u>10,219</u>
<b>Net assets attributable to unitholders - liability</b>	9	<b><u>908,114</u></b>	<u>979,103</u>

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

**Statement of changes in equity**

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>Total equity at the beginning of the year</b>	-	-
<b>Comprehensive income/(loss) for the year attributable to unitholders</b>		
Profit/(loss) for the year attributable to unitholders	-	-
Other comprehensive income/(loss) for the year attributable to unitholders	-	-
<b>Total comprehensive income/(loss) for the year attributable to unitholders</b>	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the year</b>	<u>-</u>	<u>-</u>

In accordance with *AASB 132 Financial Instruments: Presentation*, net assets attributable to unitholders are classified as a liability rather than equity.

Changes in net assets attributable to unitholders are disclosed in Note 9.

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

**Statement of cash flows**

		<b>Year ended</b>	
		<b>30 June</b>	30 June
		<b>2024</b>	2023
Notes		<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>			
		<b>354,198</b>	222,965
		<b>(233,976)</b>	(246,946)
		<b>166</b>	88
		<b>910</b>	782
		<b>(11,876)</b>	(12,356)
		<b>(261)</b>	(362)
		<u><b>109,161</b></u>	<u>(35,829)</u>
	12(a)		
<b>Cash flows from financing activities</b>			
		<b>233,976</b>	246,945
		<b>(330,124)</b>	(170,154)
		<u><b>(11,910)</b></u>	<u>(40,218)</u>
		<u><b>(108,058)</b></u>	<u>36,573</u>
		<b>1,103</b>	744
		<u><b>3,460</b></u>	<u>2,716</u>
		<u><b>4,563</b></u>	<u>3,460</u>
	11,12(b)		
		<u><b>335</b></u>	<u>1,116</u>
	12(c)		

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

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## **1 General information**

These financial statements cover Atrium Evolution Series - Diversified Fund (the "Fund") as an individual entity. The Fund was constituted on 30 May 2011. The Fund will terminate on 29 May 2091 unless terminated earlier in accordance within the provisions of the Fund's Constitution.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity of the Fund (the "Responsible Entity"). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The investment manager of the Fund is Atrium Investment Management Pty Ltd (the "Investment Manager").

The Fund is structured as an open-ended unit trust offering five classes of units for investment. The five classes of units and the assets attributed to each unit class are invested in one of the three sub-trusts - the AEF 5 Portfolio, the AEF 7 Portfolio and the AEF 9 Portfolio (each a Portfolio).

The Fund invests in Managed Funds in accordance with the provisions of the Fund's Constitution.

The financial statements of the Fund are for the year ended 30 June 2024 (the "year"). The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on 20 September 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of material accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

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

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

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

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

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

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholder's option. However, unitholders typically retain units for the medium to long-term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

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

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

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

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

#### *(ii) New and amended standards adopted by the Fund*

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendment listed above did not have any impact on the amounts recognised in the prior periods and are not expected to significantly affect the current or future periods.

#### *(iii) New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. These amendments are being assessed for any material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

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

#### *(i) Classification*

- *Financial Assets*

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and 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 and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

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. The financial assets are subject to the expected credit loss ("ECL") model under AASB9.

#### *(ii) Recognition/derecognition*

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

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

#### *(iii) Measurement*

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the 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.

Further details on how the fair value of financial instruments are determined are disclosed in Note 4.

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

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

#### *(iv) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or which could be offset in the Statement of financial position.

#### *(v) Impairment*

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash, due from broker and receivables) at an amount equal to the lifetime ECL 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 ECL. 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 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 amortised cost. 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.

### **(c) Net assets attributable to unitholders**

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

The units can be put back to the Fund at any time for cash based on the redemption price.

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

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.

The Fund classifies the net assets attributable to unit holders as liabilities as they do not satisfy all the above criteria.

### **(d) Cash and cash equivalents**

Cash comprises deposits held at custodian bank. Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

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

### **(e) Deposits pledged to/received from brokers for margin**

Deposits pledged to/received from brokers for margin represents cash balances pledged to, or cash balances received from, the Fund's prime brokers and counterparties. The collateral held with brokers is made up of cash held for securities and derivatives trading.

### **(f) Investment income**

Interest income from financial assets at amortised cost is recognised on an accrual basis using the accrual 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.

Distribution income from financial assets at fair value through profit or loss is recognised in the Statement of comprehensive income within distribution income when the Fund's right to receive payments is established.

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

### **(g) Expenses**

All expenses, including management fees and other operating expenses, are recognised in the Statement of comprehensive income on an accrual basis.

### **(h) Income tax**

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

### **(i) Distributions**

Distributions are payable as set out in the Fund's offering document. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial instruments. Unrealised gains and losses on financial instruments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

### **(j) Increase/(decrease) in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders were recognised in the Statement of comprehensive Income as finance costs.

### **(k) Foreign currency translation**

#### *(i) Functional and presentation currency*

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



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

### **(k) Foreign currency translation (continued)**

#### *(ii) Transactions and balances*

Assets and liabilities in foreign currencies are translated into the functional currency at the prevailing exchange rate at the valuation date. Transactions denominated in foreign currencies are translated into the functional currency at the prevailing exchange rate on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income. The Fund's income earned and expense incurred on foreign denominated balances are translated into the functional currency at the prevailing exchange rate on the date of such activity.

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

### **(l) Receivables**

Receivables may include amounts for interest and trust distributions. Interest is accrued at each dealing date in accordance with policy set out in Note 2(f) above. Trust distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credits ("RITC") and application monies receivable from unitholders.

Receivables are recognised at amortised cost using the effective interest method, less any allowance for ECL. The Fund has applied a simplified approach to measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, receivables have been grouped based on days overdue.

The amount of the impairment loss, if any, 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.

### **(m) Payables**

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting year. Payables may include amounts for redemptions of units in the Fund where settlement has not yet occurred. These amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to unitholders as at the end of each reporting year is recognised separately in the Statement of financial position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

### **(n) Applications and redemptions**

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

### **(o) Goods and Services Tax (GST)**

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodian services and management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credit ("RITC") at a rate of at least 55% or 75%, hence management fees and other operating expenses have been recognised in the Statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position. Cash flows relating to GST are included in the Statement of cash flows on a gross basis.

### **(p) Use of estimates**

Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the 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.

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

### **(p) Use of estimates (continued)**

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, including unquoted securities are fair valued using valuation techniques determined by the Investment Manager, in accordance with the valuation procedures approved by the Responsible Entity. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager, independent of the area that created them.

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

For certain other balances reported on Statement of financial position, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

### **(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* issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the *ASIC Corporations Instrument*, unless otherwise indicated.

### **(r) Due from/to brokers**

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

### **(s) 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 period.

## **3 Financial risk management**

### **(a) Overview**

The Fund's activities expose it to a variety of financial risks. The management of these risks is undertaken by the Fund's Investment Manager who has been appointed by the Responsible Entity under an Investment Management Agreement to manage the Fund's assets in accordance with the Investment Objective and Strategy.

The Responsible Entity has in place a framework which includes:

- The Investment Manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Fund; and
- Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

The Fund's Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Fund. Specific controls the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

### 3 Financial risk management (continued)

#### (b) Market risk

Market risk is the risk that changes in market risk factors, such as equity prices, foreign exchange rates, interest rates and other market prices will affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### (i) Price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Fund's and controlled trusts' market price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio.

The controlled trusts use derivatives (including but not limited to futures and options) in order to implement the investment strategy of the trusts and to manage the risk associated with the fair value of certain investments. The notional or contractual amount of derivatives provides only a measure of the involvement in these types of transactions and does not represent the amounts subject to market price risk. The Fund manages market price risk by establishing limits as to the types and degrees of risk that may be undertaken. Additionally, the Fund monitors the fluctuation in its value and compares these fluctuations to its risk objective.

As at year end, the overall market exposures were as follows:

	<b>Fund</b>		<b>Controlled trusts</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Derivatives assets at fair value through profit or loss	-	-	<b>2,768</b>	1,216
Derivatives liabilities at fair value through profit or loss	-	-	<b>(2,408)</b>	(6,868)
Financial assets at fair value through profit or loss	<b>891,938</b>	970,233	<b>846,693</b>	879,947
	<b>891,938</b>	970,233	<b>847,053</b>	874,295

The controlled trusts have investments in derivative financial instruments that were susceptible to the universal risks of securities markets and associated uncertainties of future prices and rates. The derivative positions primarily held by the controlled trusts resulted in exposure to interest rates, foreign exchange rates and equity prices.

As at 30 June 2024 and 30 June 2023, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

<b>Fund</b>	<b>As at 30 June 2024</b>		<b>As at 30 June 2023</b>	
	<b>Increased by</b>	<b>Decreased by</b>	Increased by	Decreased by
	<b>10%</b>	<b>10%</b>	10%	10%
	<b>\$'000</b>	<b>\$'000</b>	\$'000	\$'000
<b>Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)</b>	<b>89,194</b>	<b>(89,194)</b>	97,023	(97,023)

The analysis is performed on the same basis for 2024 and 2023.

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

A reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Fund did not hold any securities that are exposed to IBOR's as at 30 June 2024.

The Investment Manager monitors and manages the Fund's transition to alternative rates if required. The Investment Manager evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

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

#### Fund

30 June 2024	Fixed interest rate						Non-interest bearing	Total
	Floating interest rate	3 months or less	3 to 12 months	1 to 5 years	Over 5 years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Financial assets</b>								
Cash and cash equivalents	4,563	-	-	-	-	-	-	4,563
Receivables	-	-	-	-	-	40,449	40,449	40,449
Financial assets at fair value through profit or loss								
Managed funds	-	-	-	-	-	891,938	891,938	891,938
<b>Total financial assets</b>	<b>4,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>932,387</b>	<b>936,950</b>	<b>936,950</b>
<b>Financial liabilities</b>								
Distributions payable	-	-	-	-	-	16,121	16,121	16,121
Payables	-	-	-	-	-	12,715	12,715	12,715
<b>Total financial liabilities</b> (excluding net assets attributable to unitholders)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,836</b>	<b>28,836</b>	<b>28,836</b>
<b>Net exposure</b>	<b>4,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>903,551</b>	<b>908,114</b>	<b>908,114</b>

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (ii) Interest rate risk (continued)

Fund	Floating interest rate	Fixed interest rate				Non-interest bearing	Total
		3 months or less	3 to 12 months	1 to 5 years	Over 5 years		
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	3,462	-	-	-	-	-	3,462
Receivables	-	-	-	-	-	15,627	15,627
Financial assets at fair value through profit or loss							
Managed funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>970,233</u>	<u>970,233</u>
Total financial assets	<u>3,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>985,860</u>	<u>989,322</u>
Financial liabilities							
Bank overdraft	2	-	-	-	-	-	2
Distributions payable	-	-	-	-	-	2,874	2,874
Payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,343</u>	<u>7,343</u>
Total financial liabilities (excluding net assets attributable to unitholders)	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,217</u>	<u>10,219</u>
Net exposure	<u>3,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,643</u>	<u>979,103</u>

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (ii) Interest rate risk (continued)

#### Controlled trusts

30 June 2024	Floating interest rate \$'000	Fixed interest rate				Non- interest bearing \$'000	Total \$'000
		3 months or less \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	47,404	31,248	-	-	-	-	78,652
Receivables	-	-	-	-	-	19,496	19,496
Financial assets at fair value through profit or loss							
Futures	961	-	-	-	-	903	1,864
Options	364	-	-	-	-	540	904
Listed unit trusts	-	-	-	-	-	21,642	21,642
Unlisted unit trusts	-	-	-	-	-	2,210	2,210
Unlisted equities	-	-	-	-	-	165,456	165,456
Managed funds	-	-	-	-	-	657,385	657,385
<b>Total financial assets</b>	<b>48,729</b>	<b>31,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867,632</b>	<b>947,609</b>
<b>Financial liabilities</b>							
Bank overdraft	-	16,117	-	-	-	-	16,117
Distributions payable	-	-	-	-	-	28,377	28,377
Payables	-	-	-	-	-	8,769	8,769
Financial liabilities at fair value through profit or loss							
Futures	413	-	-	-	-	1,779	2,192
Options	-	-	-	-	-	216	216
<b>Total financial liabilities</b> (excluding net assets attributable to unitholders)	<b>413</b>	<b>16,117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,141</b>	<b>55,671</b>
<b>Net exposure</b>	<b>48,316</b>	<b>15,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>828,491</b>	<b>891,938</b>

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (ii) Interest rate risk (continued)

Controlled trusts

30 June 2023	Floating interest rate \$'000	Fixed interest rate				Non- interest bearing \$'000	Total \$'000
		3 months or less \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	70,191	51,324	-	-	-	-	121,515
Receivables	-	-	-	-	-	16,542	16,542
<b>Financial assets at fair value through profit or loss</b>							
Futures	-	-	-	-	-	502	502
Options	-	-	-	-	-	714	714
Listed unit trusts	-	-	-	-	-	17,771	17,771
Unlisted equities	-	-	-	-	-	164,772	164,772
Managed funds	-	-	-	-	-	697,404	697,404
<b>Total financial assets</b>	<b>70,191</b>	<b>51,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>897,705</b>	<b>1,019,220</b>
<b>Financial liabilities</b>							
Bank overdraft	-	31,568	-	-	-	-	31,568
Distributions payable	-	-	-	-	-	8,954	8,954
Payables	-	-	-	-	-	1,597	1,597
<b>Financial liabilities at fair value through profit or loss</b>							
Futures	1,067	-	-	-	-	5,541	6,608
Options	-	-	-	-	-	260	260
<b>Total financial liabilities (excluding net assets attributable to unitholders)</b>	<b>1,067</b>	<b>31,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,352</b>	<b>48,987</b>
<b>Net exposure</b>	<b>69,124</b>	<b>19,756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>881,353</b>	<b>970,233</b>

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (ii) Interest rate risk (continued)

As at 30 June 2024 and 30 June 2023, should interest rates have (decreased)/increased by the basis points indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

<b>Fund</b>	<b>As at 30 June 2024</b>		<b>As at 30 June 2023</b>	
	<b>Increased by 100bps \$'000</b>	<b>Decreased by 100bps \$'000</b>	<b>Increased by 100bps \$'000</b>	<b>Decreased by 100bps \$'000</b>
<b>Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)</b>	<b>46</b>	<b>(46)</b>	<b>35</b>	<b>(35)</b>
<b>Controlled trusts</b>	<b>As at 30 June 2024</b>		<b>As at 30 June 2023</b>	
	<b>Increased by 100bps \$'000</b>	<b>Decreased by 100bps \$'000</b>	<b>Increased by 100bps \$'000</b>	<b>Decreased by 100bps \$'000</b>
<b>Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)</b>	<b>483</b>	<b>(483)</b>	<b>691</b>	<b>(691)</b>

These changes are calculated on an undiscounted basis.

##### (iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund, through its investments in controlled trusts, has assets and liabilities denominated in currencies other than Australian dollars, the Fund's functional and presentation currency. The Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Investment Manager may enter into forward foreign currency exchange contracts from time to time to hedge against the fluctuation in exchange rates.



### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (iii) Currency risk (continued)

The table below summarises the controlled trusts' assets and liabilities which are denominated in Australian and non-Australian currencies for 30 June 2024 and 30 June 2023:

#### Controlled trusts

30 June 2024	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	Total A\$'000
<b>Financial assets</b>						
Cash and cash equivalents	77,450	91	-	-	1,111	78,652
Receivables	19,490	6	-	-	-	19,496
Financial assets at fair value through profit or loss						
Futures	-	1,706	11	4	143	1,864
Options	-	904	-	-	-	904
Listed unit trusts	-	21,642	-	-	-	21,642
Unlisted unit trusts	-	-	2,210	-	-	2,210
Unlisted equities	72,614	92,842	-	-	-	165,456
Managed funds	<u>583,970</u>	<u>73,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657,385</u>
<b>Total financial assets</b>	<u>753,524</u>	<u>190,606</u>	<u>2,221</u>	<u>4</u>	<u>1,254</u>	<u>947,609</u>
<b>Financial liabilities</b>						
Bank overdraft	-	13,213	1,767	957	180	16,117
Distributions payable	28,377	-	-	-	-	28,377
Payables	8,769	-	-	-	-	8,769
Financial liabilities at fair value through profit or loss						
Futures	426	1,752	9	2	3	2,192
Options	<u>-</u>	<u>216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216</u>
<b>Total financial liabilities</b> (excluding net assets attributable to unitholders)	<u>37,572</u>	<u>15,181</u>	<u>1,776</u>	<u>959</u>	<u>183</u>	<u>55,671</u>
<b>Net exposure</b>	<u>715,952</u>	<u>175,425</u>	<u>445</u>	<u>(955)</u>	<u>1,071</u>	<u>891,938</u>

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (iii) Currency risk (continued)

##### Controlled trusts

30 June 2023	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	Total A\$'000
Financial assets						
Cash and cash equivalents	117,036	2,482	-	775	1,222	121,515
Receivables	16,526	16	-	-	-	16,542
Financial assets at fair value through profit or loss						
Futures	1	-	-	-	501	502
Options	-	714	-	-	-	714
Listed unit trusts	-	17,771	-	-	-	17,771
Unlisted equities	72,980	91,792	-	-	-	164,772
Managed funds	<u>625,355</u>	<u>72,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,404</u>
Total financial assets	<u>831,898</u>	<u>184,824</u>	<u>-</u>	<u>775</u>	<u>1,723</u>	<u>1,019,220</u>
Financial liabilities						
Bank overdraft	5	29,820	1,663	-	80	31,568
Distributions payable	8,954	-	-	-	-	8,954
Payables	1,597	-	-	-	-	1,597
Financial liabilities at fair value through profit or loss						
Futures	301	6,028	122	133	24	6,608
Options	<u>-</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260</u>
Total financial liabilities (excluding net assets attributable to unitholders)	<u>10,857</u>	<u>36,108</u>	<u>1,785</u>	<u>133</u>	<u>104</u>	<u>48,987</u>
Net exposure	<u>821,041</u>	<u>148,716</u>	<u>(1,785)</u>	<u>642</u>	<u>1,619</u>	<u>970,233</u>

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the controlled trusts' are exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	AUD Weakened		AUD Strengthened	
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<b>Controlled trusts</b>				
10% AUD to foreign currency (2023:10%)	<b>19,492</b>	16,524	<b>(15,948)</b>	(13,519)

The possible impact against other currencies is considered immaterial individually and therefore has not been included in the above table. The analysis is performed on the same basis for 2024 and 2023.

### 3 Financial risk management (continued)

#### (c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The maximum exposure to credit risk at the end of the reporting year is the carrying amount of the financial assets.

##### (i) Bank deposits and assets held with the custodian and derivative financial instruments

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits, assets held with the custodian, derivative financial instruments and the related collateral pledged or received from counterparties.

The Fund's exposure to credit risk arises from cash deposited with National Australia Bank (NAB) which has a Standard & Poor's investment rating of AA-, and from amounts due from brokers. The credit risk arising from amounts due from brokers is mitigated by the contractual settlement arrangement with the Fund's custodian, NAB Asset Servicing.

The table below summarises these assets as at 30 June 2024 and 30 June 2023:

Fund	AA- \$'000	A+ \$'000	Total \$'000
<b>As at 30 June 2024</b>			
Australian cash deposits	4,563	-	4,563
<b>Total</b>	<b>4,563</b>	<b>-</b>	<b>4,563</b>
<b>Fund</b>			
	AA- \$'000	A+ \$'000	Total \$'000
<b>As at 30 June 2023</b>			
Australian cash deposits	3,460	-	3,460
<b>Total</b>	<b>3,460</b>	<b>-</b>	<b>3,460</b>
<b>Controlled trusts</b>			
	AA- \$'000	A+ \$'000	Total \$'000
<b>As at 30 June 2024</b>			
Australian cash deposits	47,404	15,131	62,535
<b>Total</b>	<b>47,404</b>	<b>15,131</b>	<b>62,535</b>
<b>Controlled trusts</b>			
	AA- \$'000	A+ \$'000	Total \$'000
<b>As at 30 June 2023</b>			
Australian cash deposits	70,187	19,760	89,947
<b>Total</b>	<b>70,187</b>	<b>19,760</b>	<b>89,947</b>

### 3 Financial risk management (continued)

#### (d) Liquidity risk

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

The Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during 2024 and 2023.

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

The table below analyses the Fund's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity, as of the reporting period end. The amounts in the table are the contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances as the impact of discounting is not significant.

Fund	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
<b>As at 30 June 2024</b>					
Distribution payable	16,121	-	-	-	-
Payables	12,715	-	-	-	-
Net assets attributable to unitholders	<u>908,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<b><u>936,950</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
<b>As at 30 June 2023</b>					
Bank overdraft	2	-	-	-	-
Distributions payable	2,874	-	-	-	-
Payables	7,343	-	-	-	-
Net assets attributable to unitholders	<u>979,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<b><u>989,322</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

Controlled trusts	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
<b>As at 30 June 2024</b>					
Bank overdraft	16,117	-	-	-	-
Distributions payable	28,377	-	-	-	-
Payables	8,769	-	-	-	-
Net assets attributable to unitholders	<u>891,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>945,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Controlled trusts	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
<b>As at 30 June 2023</b>					
Bank overdraft	31,568	-	-	-	-
Distributions payable	8,954	-	-	-	-
Payables	1,597	-	-	-	-
Net assets attributable to unitholders	<u>970,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>1,012,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### (ii) Maturity of derivative financial liabilities

The table below analyses the controlled trusts' derivative financial instruments into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date.

Controlled trusts	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
<b>As at 30 June 2024</b>					
Futures					
- (Outflows)	-	(2,192)	-	-	-
- Inflows	45	1,819	-	-	-
Options					
- (Outflows)	-	(216)	-	-	-
- Inflows	-	904	-	-	-
<b>Total financial liabilities</b>	<u>45</u>	<u>315</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
Controlled trusts					
At 30 June 2023					
Futures					
- (Outflows)	-	(6,608)	-	-	-
- Inflows	11	491	-	-	-
Options					
- (Outflows)	-	(260)	-	-	-
- Inflows	-	714	-	-	-
Total financial liabilities	<u>11</u>	<u>(5,663)</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 4 Fair value measurement

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

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

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting year. *AASB 13 Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value 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).

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

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

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

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

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

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

#### 4 Fair value measurement (continued)

(ii) *Valuation techniques used to derive level 2 and level 3 fair value*

The fair value of financial assets and liabilities that are not exchange-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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and managed funds with suspended applications and withdrawals.

Where discounted cash flow techniques are used, estimated future cash flows are based on Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting year 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 year. 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 year 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.

Investments in other managed funds are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the redemption value based on considerations such as liquidity of the unit trust or its underlying investments, 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.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Investment Manager. Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

#### **Recognised fair value measurements**

The following table presents the Fund's and controlled trusts' financial assets and liabilities measured and recognised at fair value as at 30 June 2024 and 30 June 2023.

#### **Fund**

<b>As at 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets at fair value through profit or loss</b>				
Managed funds	-	<b>891,938</b>	-	<b>891,938</b>
<b>Total</b>	<b>-</b>	<b>891,938</b>	<b>-</b>	<b>891,938</b>

#### 4 Fair value measurement (continued)

Fund				
As at 30 June 2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Managed funds	-	970,233	-	970,233
Total	-	970,233	-	970,233

#### Controlled trusts

As at 30 June 2024	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Futures	1,864	-	-	1,864
Options	904	-	-	904
Listed unit trusts	21,642	-	-	21,642
Unlisted unit trusts	-	2,210	-	2,210
Unlisted equities	-	165,456	-	165,456
Managed funds	-	657,385	-	657,385
<b>Total</b>	<b>24,410</b>	<b>825,051</b>	<b>-</b>	<b>849,461</b>

#### Financial liabilities at fair value through profit or loss

Futures	2,192	-	-	2,192
Options	216	-	-	216
<b>Total</b>	<b>2,408</b>	<b>-</b>	<b>-</b>	<b>2,408</b>

#### Controlled trusts

As at 30 June 2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Futures	502	-	-	502
Options	714	-	-	714
Listed unit trusts	17,771	-	-	17,771
Unlisted equities	-	154,367	10,405	164,772
Managed funds	-	693,804	3,600	697,404
Total	18,987	848,171	14,005	881,163
Financial liabilities at fair value through profit or loss				
Futures	6,608	-	-	6,608
Options	260	-	-	260
Total	6,868	-	-	6,868



#### 4 Fair value measurement (continued)

*(i) Transfers between levels*

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

The following table presents the transfers between levels as at the reporting dates.

<b>At 30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Transfers into/(out of) level 3:			
Unlisted equities	-	10,405	(10,405)
Managed funds	-	3,600	(3,600)
At 30 June 2023	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Transfers into/(out of) level 3:			
Unlisted equities	-	(10,405)	10,405
Managed funds	-	(3,276)	3,276

*(ii) Valuation processes*

Portfolio reviews are undertaken regularly by Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting year.

*(iii) Fair values of other financial instruments*

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

*(iv) Fair value measurements using significant unobservable inputs (level 3)*

#### Level 3 movements

The following table presents the movement in level 3 instruments as at the reporting date by class of financial instrument.

<b>At 30 June 2024</b>	<b>Opening</b>	<b>Purchases</b>	<b>Sales</b>	<b>Transfers</b>	<b>Transfers</b>	<b>Gains/</b>	<b>Closing</b>	<b>Gains/(losses)</b>
	<b>balance</b>	<b>\$'000</b>	<b>\$'000</b>	<b>into</b>	<b>out of</b>	<b>recognised</b>	<b>balance</b>	<b>included in the</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>level 3</b>	<b>level 3</b>	<b>in profit or</b>	<b>\$'000</b>	<b>Statement of</b>
				<b>\$'000</b>	<b>\$'000</b>	<b>loss</b>		<b>comprehensive</b>
						<b>\$'000</b>		<b>income for</b>
								<b>financial assets</b>
								<b>held at the year</b>
								<b>end</b>
								<b>\$'000</b>
Unlisted equities	10,405	-	-	-	(12,129)	1,724	-	1,724
Managed funds	3,600	-	-	-	(3,480)	(120)	-	(120)
<b>Total</b>	<b>14,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,609)</b>	<b>1,604</b>	<b>-</b>	<b>1,604</b>

**4 Fair value measurement (continued)**

At 30 June 2023	Opening balance \$'000	Purchases \$'000	Sales \$'000	Transfers into level 3 \$'000	Transfers out of level 3 \$'000	Gains/ (losses) recognised in profit or loss \$'000	Closing balance \$'000	Gains/(losses) included in the Statement of comprehensive income for financial assets held at the year end \$'000
Unlisted equities	-	-	-	10,405	-	-	10,405	-
Managed funds	-	-	-	<u>3,276</u>	-	<u>324</u>	<u>3,600</u>	<u>324</u>
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,681</u>	<u>-</u>	<u>324</u>	<u>14,005</u>	<u>324</u>

**5 Net gains on financial instruments at fair value through profit or loss**

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>Financial assets at fair value through profit or loss</b>		
Net unrealised gains on financial instruments at fair value through profit or loss	25,181	39,332
Net realised gains on financial instruments at fair value through profit or loss	<u>7,258</u>	<u>2,410</u>
<b>Total net gains on financial instruments at fair value through profit or loss</b>	<u><b>32,439</b></u>	<u><b>41,742</b></u>

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

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>Financial assets at fair value through profit or loss</b>		
Managed funds	<u>891,938</u>	970,233
<b>Total financial assets at fair value through profit or loss</b>	<u><b>891,938</b></u>	<u>970,233</u>

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

## 7 Derivative financial instruments

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

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

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

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

Certain derivative transactions provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. The Investment Manager targets a level of volatility and sets leverage accordingly.

The controlled trusts hold the following derivative instruments:

### (a) Futures

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

### (b) Options

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

The controlled trusts' derivative financial instruments as at 30 June 2024 and 30 June 2023 are detailed below:

30 June 2024	Fair Values	
	Assets \$'000	Liabilities \$'000
Futures		
Buy	1,350	2,165
Sell	514	27
Options		
Buy	904	-
Sell	-	216
<b>Closing balance</b>	<b>2,768</b>	<b>2,408</b>

## 7 Derivative financial instruments (continued)

30 June 2023	Fair Values	
	Assets \$'000	Liabilities \$'000
Futures		
Buy	491	5,187
Sell	11	1,421
Options		
Buy	714	-
Sell	-	260
Closing balance	<u>1,216</u>	<u>6,868</u>

## 8 Investments in controlled trusts

Investments in controlled trusts are recorded in the Fund within financial assets at fair value through profit or loss.

	Fair value		Equity holding **	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 %	30 June 2023 %
<b>Atrium Evolution Series - Diversified Fund</b>				
Atrium Evolution 5 Trust	80,940	94,389	100	100
Atrium Evolution 7 Trust	483,383	496,491	100	100
Atrium Evolution 9 Trust	<u>327,615</u>	<u>379,353</u>	100	100
	<u>891,938</u>	<u>970,233</u>		

\*\* The proportion of ownership interest is equal to the proportion of voting power held.

The Fund is structured as an open-ended unit trust offering five classes of units for investment. The five classes of units and the assets attributed to each unit class are invested in one of the three sub-trusts - the AEF 5 Portfolio, the AEF 7 Portfolio and the AEF 9 Portfolio (each a Portfolio).

The principal place of business for each of the above mentioned Trusts was in Australia.

The Fund acquires units in the above entities at their application price and is valued at their redemption price which reflects the fair value of the underlying investments.

The Fund qualifies for and has applied the investment entity exemption and therefore is no longer required to consolidate its controlled trusts. The Fund accounts for the above investments at fair value through profit or loss and includes them as part of the financial statement caption of 'financial assets at fair value through profit or loss', with any changes in its fair value taken to profit or loss and recorded as part of 'net gains/(losses) on financial instruments at fair value through profit or loss'.

The Fund's exposure to certain risks is a result of financial instruments held by its controlled trusts, hence, the risks associated with both the Fund and the controlled trusts will be reported in the "Derivative financial instruments" and "Financial risk management" in Notes 7 and 3.

## 9 Net assets attributable to unitholders

Units are redeemed on demand at the unitholder'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 year cannot be reliably determined.

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

	Year ended			
	30 June 2024 No.'000	30 June 2023 No.'000	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance	869,440	789,690	979,103	862,056
Applications	214,374	232,397	232,310	251,654
Redemptions	(291,488)	(153,664)	(337,310)	(171,737)
Units issued upon reinvestment of distributions	298	1,017	335	1,116
Increase in net assets attributable to unitholders	-	-	33,676	36,014
<b>Closing balance</b>	<b>792,624</b>	<b>869,440</b>	<b>908,114</b>	<b>979,103</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does extend to a right to the underlying assets of the Fund. There are five separate classes of units in the Fund as at 30 June 2024 and 30 June 2023. Each unit within the same class has the same rights as all other units within that class. Except for different management and performance fee rates, the different classes have the same preferences and restrictions.

### Capital risk management

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

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

## 10 Distributions to unitholders

Distributions are payable at the end of each financial period. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the year were as follows:

	Year ended			
	30 June 2024 \$'000	30 June 2024 CPU*	30 June 2023 \$'000	30 June 2023 CPU*
<b>Distributions - AEF 5 Class</b>				
Distributions paid (31 December)	819	1.056	946	1.033
Distributions payable (30 June)	<u>1,367</u>	<u>1.744</u>	<u>584</u>	<u>0.638</u>
	<u>2,186</u>		<u>1,530</u>	
<b>Distributions - AEF 7 Class</b>				
Distributions paid (31 December)	4,110	1.149	4,745	1.097
Distributions payable (30 June)	<u>5,243</u>	<u>1.803</u>	<u>1,320</u>	<u>0.324</u>
	<u>9,353</u>		<u>6,065</u>	
<b>Distributions - AEF 9 Class</b>				
Distributions paid (31 December)	3,057	1.207	3,584	1.138
Distributions payable (30 June)	<u>2,929</u>	<u>1.404</u>	<u>443</u>	<u>0.148</u>
	<u>5,986</u>		<u>4,027</u>	
<b>Distributions - AEP 7 Class</b>				
Distributions paid (31 December)	848	1.061	-	-
Distributions payable (30 June)	<u>4,097</u>	<u>2.875</u>	<u>346</u>	<u>0.819</u>
	<u>4,945</u>		<u>346</u>	
<b>Distributions - AEP 9 Class</b>				
Distributions paid (31 December)	537	1.073	-	-
Distributions payable (30 June)	<u>2,485</u>	<u>3.435</u>	<u>181</u>	<u>0.628</u>
	<u>3,022</u>		<u>181</u>	
	<u>25,492</u>		<u>12,149</u>	

\* Distribution is expressed as cents per unit amount in Australian Dollar.

## 11 Cash and cash equivalents

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Cash at bank	<u>4,563</u>	<u>3,462</u>
<b>Total cash and cash equivalents</b>	<u>4,563</u>	<u>3,462</u>

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

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year attributable to unitholders	-	-
Increase in net assets attributable to unitholders	33,676	36,014
Distribution to unitholders	25,492	12,149
Proceeds from sale of financial instruments held at fair value through profit or loss	354,198	222,965
Payments for purchase of financial instruments at fair value through profit or loss	(233,976)	(246,946)
Net (gains) on financial instruments at fair value through profit or loss	(32,439)	(41,742)
Net change in other receivables	(19,319)	25,814
Net change in other payables	(147)	37
Distribution income reinvested	(18,324)	(44,120)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>109,161</u></b>	<b><u>(35,829)</u></b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the year as shown in the Statement of cash flows is reconciled to the Statement of financial position as follows:		
Cash and cash equivalents	4,563	3,462
Bank overdraft	-	(2)
<b>Total cash and cash equivalents</b>	<b><u>4,563</u></b>	<b><u>3,460</u></b>
<b>(c) Non-cash financing activities</b>		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	<u>335</u>	<u>1,116</u>
<b>Total non-cash financing activities</b>	<b><u>335</u></b>	<b><u>1,116</u></b>

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

### 13 Remuneration of auditors

No audit fees were incurred by the Fund during the year ended 30 June 2024. The auditor of the financial statements is HLB Mann Judd and the auditor of the compliance plan is Pricewaterhouse Coopers. The audit fees of the Fund were paid by Atrium Investment Management Pty Ltd (the "Investment Manager"). The Responsible Entity has the right to charge audit fees directly to the Fund.

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

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>HLB Mann Judd</b>		
<b>Audit and other assurance services</b>		
Audit of financial statements	<u>51,750</u>	<u>47,500</u>
Total remuneration for audit and other assurance services	<u>51,750</u>	<u>47,500</u>
<b>PricewaterhouseCoopers (Australia)</b>		
<b>Audit and other assurance services</b>		
Audit of compliance plan	<u>2,690</u>	<u>2,547</u>
Total remuneration for audit and other assurance services	<u>2,690</u>	<u>2,547</u>
<b>Total auditor's remuneration</b>	<u>54,440</u>	<u>50,047</u>

Fees are stated exclusive of GST.

### 14 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

#### Controlled trusts

Interests in controlled trusts are set out in Note 8.

#### Responsible Entity

The Responsible Entity of Atrium Evolution Series - Diversified Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 81) (AFSL 235150).

#### Key management personnel

##### (a) Directors

Key management personnel includes persons who were Directors of the Responsible Entity of the Fund at any time during the financial year as follows:

##### Name

Glenn Foster	
Vicki Riggio	
Alexis Dodwell	Appointed Director on 1 November 2023
Phillip Blackmore	Alternate Director for Vicki Riggio
Christopher Green	Resigned as Director on 1 November 2023



## 14 Related party transactions (continued)

### (b) Other key management personnel

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

### Key management personnel unitholdings

During or since the end of the year, none of the Directors or Director related entities held units in the Fund, either directly, indirectly or beneficially.

Neither the Responsible Entity nor its affiliates held units in the Fund at the end of the year.

### Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from a related party of the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

### Key management personnel loan disclosures

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 year.

### 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 since the end of the previous financial year and there were no material contracts involving Director's interests existing at year end.

### Responsible Entity's/Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and the PDS for the Fund, investment management fees are payable monthly of 1.25% per annum (excluding GST) in total of the aggregate portfolio value of the Fund. The Responsible Entity is paid fees by the Investment Manager.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	<b>Year ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Management fees for the year paid and payable by the Fund	<b>10,964,127</b>	11,569,969
Aggregate amounts payable at the reporting date	<b>903,807</b>	1,050,571

### Related party unitholdings

Parties related to the Fund (including The Trust Company (RE Services) Limited, its related parties and other funds managed by The Trust Company (RE Services) Limited), hold no units in the Fund (2023: Nil).

### Investments

The Fund did not hold any investments in The Trust Company (RE Services) Limited or its affiliates or funds managed by Atrium Investment Management Pty Ltd during the year.

## **15 Significant events during the year**

In late 2022 NAB announced they would be exiting the Custody business.

On 1 November 2023, Alexis Dodwell was appointed as Director of the Responsible Entity and Christopher Green resigned as Director of the Responsible Entity.

On 22 March 2024 NAS provided a termination notice advising 120 days effective from 23 March 2024 after termination NAS will continue to provide custody services and provide assistance, data and records in accordance with the termination provision of the Custody Agreement.

On 8 May 2024, Perpetual Limited announced it had entered into a Scheme Implementation Deed with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") who will acquire 100% of the businesses and entities comprising Wealth Management and Corporate Trust from Perpetual Shareholders via a Scheme of Arrangement, for total cash consideration of A\$2.175 billion ("Scheme"). If the Scheme is implemented, The Trust Company (RE Services) Limited entity will be acquired by KKR.

The Scheme is subject to satisfaction of a number of conditions precedent set out in the Scheme Implementation Deed as well as approvals including court, regulatory and the requisite shareholder approval with implementation expected to occur in late February or early March 2025.

There were no other significant events during the year.

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

In late 2022, National Australia Bank - Asset servicing ("NAS") announced they were exiting the custody and fund administration business. At the time of signing, the date of change in administration, custodian and registry provider has been delayed.

The Directors are not aware of any other event or circumstance since the end of the financial year not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

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

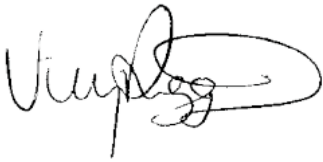
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2024 and 30 June 2023.

## **Directors' declaration**

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 41 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 2024 and of its performance as represented by the results of its operations and cash flows, 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.
- (c) Note 2(a)(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director  
The Trust Company (RE Services) Limited

Sydney  
20 September 2024

## **Independent Auditor's Report to the Members of Atrium Evolution Series - Diversified Fund**

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of Atrium Evolution Series - Diversified Fund ("the Fund") which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration of the directors of The Trust Company (RE Services) Limited, the Responsible Entity, referred herein as the Responsible Entity.

In our opinion, the accompanying financial report of 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 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

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

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors of the Responsible Entity of the Fund are responsible for the other information. The other information comprises the information included in the Responsible Entity directors report the year ended 30 June 2024, 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, 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 of the Fund 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 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.

### **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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

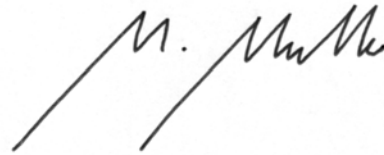
We communicate with the directors of the Responsible Entity of the Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Responsible Entity of the Fund with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd  
Chartered Accountants**

**Sydney, NSW  
20 September 2024**



**M D Muller  
Partner**