

Investors Mutual Limited
Managed Investment Schemes
Financial reports for the year ended 30 June 2022

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The Responsible Entity of the Schemes listed below is Investors Mutual Limited (ABN 14 078 030 752). The Responsible Entity's registered office is:

Investors Mutual Limited
Level 24
25 Bligh Street
Sydney, NSW 2000

The financial reports consist of 8 separate Schemes:

Investors Mutual All Industrials Share Fund
ARSN 093 182 195

Investors Mutual Australian Share Fund
ARSN 093 182 695

Investors Mutual Concentrated Australian Share Fund
ARSN 145 759 879

Investors Mutual Equity Income Fund
ARSN 107 095 438

Investors Mutual Future Leaders Fund
ARSN 093 182 828

Investors Mutual Private Portfolio Fund
ARSN 624 888 035

Investors Mutual Small Cap Fund
ARSN 122 918 496

Investors Mutual Australian Smaller Companies Fund
ARSN 093 182 471

Directors' report

The directors of Investors Mutual Limited, the Responsible Entity of the following Schemes:

Statutory name	Referred to in this documents as	Financial reporting year
Investors Mutual All Industrials Share Fund	All Industrials Share Fund	1 July 2021 to 30 June 2022
Investors Mutual Australian Share Fund	Australian Share Fund	1 July 2021 to 30 June 2022
Investors Mutual Concentrated Australian Share Fund	Concentrated Australian Share Fund	1 July 2021 to 30 June 2022
Investors Mutual Equity Income Fund	Equity Income Fund	1 July 2021 to 30 June 2022
Investors Mutual Future Leaders Fund	Future Leaders Fund	1 July 2021 to 30 June 2022
Investors Mutual Private Portfolio Fund	Private Portfolio Fund	1 July 2021 to 30 June 2022
Investors Mutual Small Cap Fund	Small Cap Fund	1 July 2021 to 30 June 2022
Investors Mutual Australian Smaller Companies Fund	Smaller Companies Fund	1 July 2021 to 30 June 2022

present their report together with the financial reports of the Schemes for the year ended 30 June 2022 and the audit report thereon.

Responsible Entity

The Responsible Entity of the Schemes is Investors Mutual Limited (ABN 14 078 030 752). The Responsible Entity's registered office is:

Investors Mutual Limited
Level 24
25 Bligh Street
Sydney, NSW 2000

Principal activities

During the year, the Schemes continued to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The Schemes did not have any employees during the year.

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

Directors' report (continued)

Directors

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

Anton Tagliaferro
Hugh Giddy
Simon Conn
Fabrice Chemouny
James Orfanos
Damon Hambly
Eric Ward

Review and results of operations

The performance of the Schemes, as represented by the results of their operations, were as follows:

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Net operating profit/(loss)	2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224
Distributions								
Distributions paid and payable	16,499	2,687	170,308	97,591	3,665	3,004	32,917	33,827
Distributions (cents per unit)	16.58	2.12	31.53	15.87	3.30	2.26	5.79	5.15

Directors' report (continued)

Review and results of operations (continued)

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net operating profit/(loss)	(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273
Distributions – Class A								
Distributions paid and payable	45,160	7,560	2,210	627	605	493	19,373	12,128
Distributions (cents per unit)	11.66	1.69	6.47	2.67	2.77	2.03	26.19	14.22
Distributions – Class B								
Distributions paid and payable	-	-	93	-	-	-	-	-
Distributions (cents per unit)	-	-	4.66	-	-	-	-	-

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

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

Directors' report (continued)

Likely developments and expected results of operations

The Schemes will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The results of the Schemes' operations will be affected by a number of factors, including the performance of investment markets in which the Schemes invest. 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.

Further information on likely developments in the operation of the Schemes and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Schemes.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Schemes in regards to insurance cover provided to either the officers of Investors Mutual Limited or the auditors of the Schemes. So long as the officers of Investors Mutual Limited act in accordance with the Schemes' Constitutions and the Law, the officers remain indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditors of the Schemes are in no way indemnified out of the assets of the Schemes.

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

Fees paid to the Responsible Entity and its associates out of the Schemes' property during the financial year are disclosed in Note 10 of the financial reports.

No fees were paid out of Schemes' property to the directors of the Responsible Entity during the financial year.

The number of interests in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 10 of the financial reports.

Interests in the Schemes

The movement in units on issue in the Schemes during the financial year is disclosed in Note 4 of the financial reports.

The value of the Schemes' assets and liabilities is disclosed on the statements of financial position and derived using the basis set out in Note 2 of the financial reports.

Environmental regulation

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

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Schemes are entities of the kind referred to in *Australian Securities and Investments Commission ("ASIC") (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise indicated.

Single set of financial statements

The Schemes are of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* issued by the ASIC and in accordance with that ASIC Instrument, Schemes with a common Responsible Entity (or related responsible entities) can include their financial statements in adjacent columns in a single set of financial statements

Proceeds from redeeming units in a Scheme can be applied to acquire units in other Schemes included in these financial statements. All the Schemes are open-ended.

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 8.

This report is made in accordance with a resolution of the directors.



Damon Hambly
Director

Sydney
16 September 2022



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Investors Mutual Limited, as Responsible Entity for the following Schemes

- ▶ Investors Mutual Australian Share Fund
- ▶ Investors Mutual Equity Income Fund
- ▶ Investors Mutual Australian Smaller Companies Fund
- ▶ Investors Mutual All Industrials Share Fund
- ▶ Investors Mutual Future Leaders Fund
- ▶ Investors Mutual Small Cap Fund
- ▶ Investors Mutual Concentrated Australian Share Fund
- ▶ Investors Mutual Private Portfolio Fund

As lead auditor for the audits of the financial reports of the Schemes listed above for the relevant financial period ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

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

Ernst & Young
Ernst & Young

Luke Slater
Luke Slater
Partner
16 September 2022

Statements of profit or loss and other comprehensive income

	Notes	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Investment Income									
Interest income	3	1	10	10	17	7	15	239	70
Dividend and distribution income		6,174	5,161	60,728	54,076	5,972	4,628	20,395	16,531
Net gains/(losses) in the fair value of investments		(1,570)	39,656	(3,524)	324,788	2,775	26,852	29,820	87,784
Other operating income		3	4	65	49	30	24	1	127
Total investment income		4,608	44,831	57,279	378,930	8,784	31,519	50,455	104,512
Expenses									
Interest expenses		2	–	22	17	8	–	163	–
Responsible Entity's fees	10	1,783	1,887	17,096	18,900	2,162	1,986	5,267	5,532
Transaction costs		276	165	1,388	1,474	82	130	914	756
Other operating expenses		–	–	–	18	–	1	–	–
Total operating expenses		2,061	2,052	18,506	20,409	2,252	2,117	6,344	6,288
Operating profit/(loss)		2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224
Total comprehensive income for the financial year	4	2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statements of profit or loss and other comprehensive income

		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	Notes	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Investment Income									
Interest income	3	4	27	10	–	–	2	2	11
Dividend and distribution income		13,403	11,600	968	519	946	827	3,700	3,786
Net gains/(losses) in the fair value of investments		(42,856)	117,767	1,262	2,350	(3,307)	10,457	(13,372)	40,278
Other operating income		57	210	10	48	5	16	26	60
Total investment income		(29,392)	129,604	2,250	2,917	(2,356)	11,302	(9,644)	44,135
Expenses									
Interest expenses		–	–	–	2	–	–	–	–
Responsible Entity's fees	10	4,698	4,662	332	179	418	404	1,440	1,542
Performance fees	10	–	–	95	171	–	–	–	–
Transaction costs		740	668	230	127	60	57	251	320
Short selling expenses		–	–	11	14	–	–	–	–
Other operating expenses		–	–	26	35	–	–	–	–
Total operating expenses		5,438	5,330	694	528	478	461	1,691	1,862
Operating profit/(loss)		(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273
Total comprehensive income for the financial year	4	(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

	Notes	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund		
		As at		As at		As at		As at		
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Assets										
Cash and cash equivalents	6	27,083	6,759	87,537	44,133	39,374	19,521	85,387	85,522	
Other receivables		38	38	339	358	42	42	227	102	
Due from brokers - receivable for securities sold		–	1,612	17,113	7,661	265	–	75	518	
Application receivable		26	32	550	390	117	122	108	459	
Dividends/distributions receivable		669	601	3,752	3,119	319	193	1,619	1,520	
Financial assets at fair value through profit or loss	7	130,247	190,356	1,472,237	1,783,300	175,868	198,657	428,847	459,805	
Total assets		158,063	199,398	1,581,528	1,838,961	215,985	218,535	516,263	547,926	
Liabilities										
Distributions payable	5	12,353	1,114	136,555	76,653	1,477	1,792	9,308	6,662	
Due to brokers - payable for securities purchased		628	1,639	1,144	708	447	–	5,184	115	
Redemptions payable		132	128	1,518	2,256	407	311	758	1,338	
Other payables		130	162	1,302	1,506	175	178	417	444	
Financial liabilities at fair value through profit or loss	8	13	5	227	26	–	–	3,078	3,582	
Total liabilities		13,256	3,048	140,746	81,149	2,506	2,281	18,745	12,141	
Net assets attributable to unitholders - equity	4	144,807	196,350	1,440,782	1,757,812	213,479	216,254	497,518	535,785	

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

Statements of financial position

	Notes	Future Leaders Fund		Private Portfolio Fund ¹		Small Cap Fund		Smaller Companies Fund		
		As at		As at		As at		As at		
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Assets										
Cash and cash equivalents	6	26,155	18,852	15,721	8,877	1,142	1,546	13,985	14,288	
Other receivables		94	101	50	4	9	10	27	34	
Due from brokers - receivable for securities sold		65	1,714	2,340	484	71	759	172	745	
Application receivable		146	206	–	–	–	–	24	11	
Dividends/distributions receivable		262	611	78	65	34	53	55	199	
Financial assets at fair value through profit or loss	7	358,112	470,022	23,228	16,624	29,666	34,897	102,377	151,633	
Total assets		384,834	491,506	41,417	26,054	30,922	37,265	116,640	166,910	
Liabilities										
Distributions payable	5	33,044	2,948	1,659	627	384	239	14,211	10,754	
Due to brokers - payable for securities purchased		449	1,893	588	313	156	517	443	1,721	
Redemptions payable		422	528	–	19	12	113	70	539	
Other payables		321	400	156	244	30	35	96	133	
Financial liabilities at fair value through profit or loss	8	–	–	2,001	1,111	–	–	–	–	
Total liabilities		34,236	5,769	4,404	2,314	582	904	14,820	13,147	
Net assets attributable to unitholders - equity	4	350,598	485,737	37,013	23,740	30,340	36,361	101,820	153,763	

¹Net assets attributable to unitholders for the Private Portfolio Fund are liabilities and not equity.

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

Statements of changes in equity

	Notes	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Total equity at the beginning of the financial year		196,350	186,524	1,757,812	1,960,018	216,254	168,864	535,785	592,701
Comprehensive income for the year									
Profit/(loss) for the year		2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224
Transactions with unitholders									
Applications	4	10,711	12,166	173,898	195,249	43,810	81,276	95,758	120,309
Redemptions	4	(48,437)	(43,226)	(375,401)	(685,565)	(49,682)	(60,657)	(145,615)	(243,426)
Reinvestment of distributions	4	135	794	16,008	27,180	230	373	396	1,804
Distributions paid and payable	4,5	(16,499)	(2,687)	(170,308)	(97,591)	(3,665)	(3,004)	(32,917)	(33,827)
Total transactions with unitholders		(54,090)	(32,953)	(355,803)	(560,727)	(9,307)	17,988	(82,378)	(155,140)
Total equity at the end of the financial financial year		144,807	196,350	1,440,782	1,757,812	213,479	216,254	497,518	535,785

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

Statements of changes in equity

	Future Leaders Fund		Private Portfolio Fund ¹		Small Cap Fund		Smaller Companies Fund		
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total equity at the beginning of the financial year		485,737	451,040	23,740	10,023	36,361	32,803	153,763	140,966
Comprehensive income for the year									
Profit/(loss) for the year		(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273
Transactions with unitholders									
Applications	4	44,608	46,634	21,159	17,093	4,323	4,022	19,995	20,784
Redemptions	4	(100,771)	(129,181)	(7,142)	(5,143)	(6,932)	(10,830)	(43,858)	(39,121)
Reinvestment of distributions	4	1,014	530	3	5	27	18	2,628	989
Distributions paid and payable	4,5	(45,160)	(7,560)	(2,303)	(627)	(605)	(493)	(19,373)	(12,128)
Total transactions with unitholders		(100,309)	(89,577)	11,717	11,328	(3,187)	(7,283)	(40,608)	(29,476)
Total equity at the end of the financial financial year		350,598	485,737	37,013	23,740	30,340	36,361	101,820	153,763

¹Net assets attributable to unitholders for the Private Portfolio Fund are liabilities and not equity.

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

Statements of cash flows

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Proceeds from sale of investments	117,237	49,518	512,636	683,433	41,485	16,439	242,364	475,783
Cash paid for purchase of investments	(58,073)	(29,938)	(213,861)	(204,371)	(15,739)	(50,615)	(176,446)	(347,575)
Transaction cost paid	(276)	(165)	(1,388)	(1,474)	(82)	(130)	(914)	(756)
Dividend/distribution received	6,091	4,929	60,043	53,868	5,846	4,565	20,163	16,341
Interest received	1	10	10	17	7	15	118	70
Other income received	3	4	84	187	30	21	1	174
Responsible Entity's fee paid	(1,815)	(1,847)	(17,300)	(19,355)	(2,165)	(1,910)	(5,294)	(5,487)
Payment of other expenses	(2)	(47)	(22)	–	(8)	(58)	(167)	(165)
Net cash inflow/(outflow) from operating activities	14(a) 63,166	22,464	340,202	512,305	29,374	(31,673)	79,825	138,385
Cash flows from financing activities								
Proceeds from applications by unitholders	10,718	12,952	173,738	195,826	43,815	81,217	96,110	120,354
Payments for redemptions by unitholders	(48,434)	(43,265)	(376,138)	(685,473)	(49,586)	(60,759)	(146,195)	(243,331)
Distributions paid	(5,126)	(5,390)	(94,398)	(91,423)	(3,750)	(3,340)	(29,875)	(39,544)
Net cash inflow/(outflow) from financing activities	(42,842)	(35,703)	(296,798)	(581,070)	(9,521)	17,118	(79,960)	(162,521)
Net increase/(decrease) in cash and cash equivalents	20,324	(13,239)	43,404	(68,765)	19,853	(14,555)	(135)	(24,136)
Cash and cash equivalents at the beginning of the year	6,759	19,998	44,133	112,898	19,521	34,076	85,522	109,658
Cash and cash equivalents at the end of the year	14(b), 6 27,083	6,759	87,537	44,133	39,374	19,521	85,387	85,522

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

Statements of cash flows

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Proceeds from sale of investments	322,138	221,895	64,398	29,389	19,379	20,180	106,364	82,058
Cash paid for purchase of investments	(252,880)	(168,478)	(70,430)	(36,976)	(17,127)	(13,390)	(71,186)	(65,615)
Transaction cost paid	(740)	(668)	(230)	(127)	(60)	(57)	(251)	(320)
Dividend/distribution received	13,752	11,461	955	473	965	843	3,844	3,804
Interest received	4	27	–	–	–	2	2	11
Other income received	64	210	9	49	6	16	33	60
Responsible Entity's fee paid	(4,777)	(4,555)	(344)	(119)	(423)	(398)	(1,477)	(1,495)
Payment of other expenses	–	(124)	–	(38)	–	(9)	–	(48)
Cash paid from short selling	–	–	–	(28)	–	–	–	–
Payment of other expenses	–	–	(243)	–	–	–	–	–
Net cash inflow/(outflow) from operating activities	14(a) 77,561	59,768	(5,885)	(7,377)	2,740	7,187	37,329	18,455
Cash flows from financing activities								
Proceeds from applications by unitholders	44,668	46,607	21,159	17,093	4,322	4,022	19,983	20,782
Payments for redemptions by unitholders	(100,876)	(129,466)	(7,162)	(5,124)	(7,034)	(10,779)	(44,326)	(38,613)
Distributions paid	(14,050)	(5,781)	(1,268)	(580)	(432)	(316)	(13,289)	(3,100)
Net cash inflow/(outflow) from financing activities	(70,258)	(88,640)	12,729	11,389	(3,144)	(7,073)	(37,632)	(20,931)
Net increase/(decrease) in cash and cash equivalents	7,303	(28,872)	6,844	4,012	(404)	114	(303)	(2,476)
Cash and cash equivalents at the beginning of the year	18,852	47,724	8,877	4,863	1,546	1,432	14,288	16,764
Effects of foreign currency exchange rate changes on cash and cash equivalents	–	–	–	2	–	–	–	–
Cash and cash equivalents at the end of the year	14(b), 6 26,155	18,852	15,721	8,877	1,142	1,546	13,985	14,288

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

1 General information

These financial reports cover the following Schemes (the "Schemes") which are Australian registered managed investment Schemes. The Schemes were constituted on the dates set out below, and will terminate on the dates set out below unless terminated earlier in accordance with the provisions of the Schemes' Constitutions.

	Constituted Date	Termination Date	Financial reporting year
All Industrials Share Fund	29 June 1998	28 June 2078	1 July 2021 to 30 June 2022
Australian Share Fund	29 June 1998	28 June 2078	1 July 2021 to 30 June 2022
Concentrated Australian Share Fund	11 August 2010	10 August 2090	1 July 2021 to 30 June 2022
Equity Income Fund	17 November 2003	16 November 2083	1 July 2021 to 30 June 2022
Future Leaders Fund	29 June 1998	28 June 2078	1 July 2021 to 30 June 2022
Private Portfolio Fund	22 March 2018	21 March 2098	1 July 2021 to 30 June 2022
Small Cap Fund	28 November 2006	27 November 2086	1 July 2021 to 30 June 2022
Smaller Companies Fund	29 June 1998	28 June 2078	1 July 2021 to 30 June 2022

The Responsible Entity of the Schemes listed above is Investors Mutual Limited (the "Responsible Entity") which is incorporated and domiciled in Australia. The Responsible Entity's registered office is Level 24, 25 Bligh Street, Sydney, NSW 2000.

The financial reports were authorised for issue by the directors on 16 September 2022. The directors of the Responsible Entity have the power to amend and reissue the financial reports.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial reports have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Accounting Interpretations, *Corporations Act 2001* in Australia and the Schemes' Constitutions.

The Schemes are for-profit entities for the purposes of preparing the financial statements.

The financial reports are prepared on a historical cost basis except for investments which have been measured at fair value.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The Statements of financial position are 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 financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months in relation to these balances cannot be reliably determined.

The financial reports are presented in Australian dollars.

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Schemes

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior years or will affect the current or future years.

(b) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Schemes.

(c) Investment entity exception

The Schemes, where applicable, have multiple investments which are controlled by them. However, management determines that the Schemes, where applicable, are a qualifying investment entity due to the following factors:

- The Schemes obtain and manage funds for the purpose of providing investors of the Schemes with investment management services.
- The Schemes' business purpose, which is communicated directly to the investors, is to invest funds solely for returns from capital appreciation and investment income. The Schemes measure and evaluate the performance of substantially all of its investments on a fair value basis.
- The Schemes have multiple investments and multiple investors.
- The Schemes also meet all of the typical characteristics of an investment entity. As a consequence, the Schemes do not consolidate these investments, but accounts for them at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(c) Investment entity exception (continued)

These separate financial statements are the only financial statements presented by the Schemes.

(d) Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Schemes' power over the activities of the entity and their exposure to and ability to influence its own returns, they may control the entity. In other cases they may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Schemes.

The Schemes typically have no other involvement with the structured entity other than the securities they hold as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in Note 11, which includes an indication of changes in risk measures compared to prior year.

(e) Investments

Financial instruments at fair value through profit or loss

Investments of the Schemes which are considered to be financial instruments at fair value through profit and loss are equity securities, units in managed investment schemes, derivative financial instruments such as futures and options and some interest bearing securities which have been acquired principally for the purpose of selling in the near term.

(i) Recognition/derecognition

Purchases and sales of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Schemes commit to purchase or sell the assets.

(ii) Initial Measurement

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs.

2 Summary of significant accounting policies (continued)

(e) Investments (continued)

(iii) Subsequent Measurement

After initial recognition, the financial instruments are revalued to fair value at each reporting date.

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the reporting date.

For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flows analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

The fair value of units in the Schemes are determined by reference to published bid prices at the close of business on the reporting date being the redemption prices as established by the underlying Scheme's Responsible Entity. The floating rate notes are valued at gross (including interest) rather than net of interest. Fixed interest securities are valued at fair value through profit or loss, and interest income is recognised on the date that the Schemes are entitled to receive the interest coupon.

Changes in fair value of investments are recognised in the statements of profit or loss and other comprehensive income.

The Schemes do not designate any derivatives as hedges in a hedging relationship.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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.

(f) Net assets attributable to unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. In order to allow the Scheme to elect into the Attribution Managed Investment Trust ("AMIT") tax regime, the Scheme's Constitution has been amended and other conditions required to adopt the AMIT tax regime have also been met. The amendment of the Scheme's Constitution removes the Responsible Entity's contractual obligation to distribute trust income to unitholders. As the Responsible Entity no longer has any contractual obligations to pay distributions, and the units on issue, for all Schemes except for Private Portfolio Fund, comprise one class of units with identical features which are equally subordinate to any other financial instruments on issue, the Scheme's net assets attributable to unitholders have been classified as equity in accordance with AASB 132 *Financial Instruments: Presentation*.

Net assets attributable to unitholders for the Private Portfolio Fund are liabilities and not equity.

The Schemes' capital is represented by the units, which are redeemable at the unitholders' option however the Responsible Entity may suspend redemption if it is in the best interest of unitholders.

2 Summary of significant accounting policies (continued)

(f) Net assets attributable to unitholders (continued)

Quantitative information about the Schemes' capital is provided in the statements of changes in equity and in Note 4. The units are entitled to dividends when declared and to payment of a proportionate share of the Schemes' net asset value on the redemption date or upon winding up of the Schemes.

A reconciliation of the number of units outstanding at the beginning and the end of each reporting year is provided in Note 4.

(g) Cash and cash equivalents

For statements of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings on the statements of financial position.

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 Schemes' main income generating activity.

Impairment

The Schemes record expected credit losses ("ECLs") on all of their receivables, amounts due from brokers, margin accounts and cash and cash equivalents, either on a 12-month or lifetime basis.

At 30 June 2022 and 30 June 2021, all receivables, amounts due from brokers, margin accounts and cash and cash equivalents are either callable on demand or due to be settled within 6 months. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes.

(h) Investment income

Interest income is recognised in the statements of profit or loss and other comprehensive income for all financial instruments at amortised cost and at fair value through profit and loss. Breakdown of this income is shown in Note 3.

Interest income from financial assets measured at amortised cost is earned on cash and cash equivalents and margin accounts and is calculated using the effective interest method.

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

2 Summary of significant accounting policies (continued)

(h) Investment income (continued)

Interest income from financial assets measured at fair value through profit or loss is income earned on fixed interest securities and floating rate note and is recognised on the date that the Scheme is entitled to receive the interest coupon.

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

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlement basis.

(i) Expenses

All expenses, including Responsible Entity's fees and reimbursable expenses, are recognised in the statements of profit or loss and other comprehensive income on an accruals basis.

(j) Income tax

Under current legislation, the Schemes are not subject to income tax since the Responsible Entity has elected into the AMIT tax regime and unitholders are attributed the income of each Scheme.

Financial instruments held 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 Schemes are not subject to capital gains tax.

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

The Schemes currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of profit or loss and other comprehensive income.

(k) Distributions

Distributions are payable as set out in the Schemes' Constitution. Such distributions are determined by the Responsible Entity of the Schemes. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading 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.

(l) Unit price

The unit price is based on unit price accounting outlined in the Schemes' Constitutions and Product Disclosure Statements.

2 Summary of significant accounting policies (continued)

(m) Foreign currency translation

(i) Functional and presentation currency

Items included in the Schemes' financial reports 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 Schemes compete for funds and is regulated. The Australian dollar is also the Schemes' presentation currency.

(ii) Transactions and balances

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

(n) 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. Trades are recorded on trade date, and normally settled within three business days. Refer to Note 2(g) for details around estimated credit losses treatment.

(o) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out Note 2(h) above. Amounts are generally received within 30 days of being recorded as receivables. Refer to Note 2(g) for details around estimated credit losses treatment.

(p) Payables

Payables includes liabilities and accrued expenses owing by the Schemes which are unpaid as at the end of the reporting year.

Trades are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at reporting date are included in payables.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the statements of financial position when distributions to unitholders are declared.

(q) Applications and redemptions

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

2 Summary of significant accounting policies (continued)

(r) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Schemes by third parties such as custodial services and investment management fees have been passed onto the Schemes. The Schemes qualify for Reduced Input Tax Credits ("RITCs") at a rate of at least 55%; hence investment management fees, custodial fees and other expenses have been recognised in statements of profit or loss and other 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 statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(s) Use of estimates

The Schemes make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Schemes' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and yearly reviewed by experienced personnel of the Responsible Entity, 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 management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(t) Rounding of amounts to the nearest thousand dollars

The Schemes are entities of the kind referred to in *Australian Securities and Investments Commission ("ASIC") (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise indicated.

(u) Comparatives

Where necessary, comparative figures have been reclassified to conform to any changes in presentation made in the financial report.

Investors Mutual Limited
Managed Investment Schemes
Notes to the financial reports
For the year ended 30 June 2022
(continued)

3 Interest income

	Average \$'000	30 June 2022 Interest \$'000	Average %	Average \$'000	30 June 2021 Interest \$'000	Average %
All Industrials Share Fund						
Cash and cash equivalents	7,341	1	0.02	10,974	10	0.08
		<u>1</u>			<u>10</u>	
Australian Share Fund						
Cash and cash equivalents	51,161	10	0.02	38,479	--	--
		<u>10</u>			<u>--</u>	
Concentrated Australian Share Fund						
Cash and cash equivalents	26,469	7	0.03	32,548	15	0.05
		<u>7</u>			<u>15</u>	
Equity Income Fund						
Cash and cash equivalents	72,825	10	0.01	63,816	(149)	(0.23)
Interest bearing securities	5,234	229	4.38	4,610	219	4.75
		<u>239</u>			<u>70</u>	

Refer to Note 2(h) to the financial report on interest income recognition. Interest on cash and cash equivalents is calculated using the EIR method.

3 Interest income (continued)

	Average \$'000	30 June 2022 Interest \$'000	Average %	Average \$'000	30 June 2021 Interest \$'000	Average %
Future Leaders Fund						
Cash and cash equivalents	16,457	4	0.03	28,109	27	0.10
		<u>4</u>			<u>27</u>	
Private Portfolio Fund						
Cash and cash equivalents	13,578	(16)	(0.12)	8,936	(9)	(0.10)
Interest bearing securities	835	26	3.11	559	7	1.25
		<u>10</u>			<u>(2)</u>	
Small Cap Fund						
Cash and cash equivalents	1,193	–	0.03	11,602	2	0.01
		<u>–</u>			<u>2</u>	
Smaller Companies Fund						
Cash and cash equivalents	7,073	2	0.02	11,836	11	0.09
		<u>2</u>			<u>11</u>	

Refer to Note 2(h) to the financial report on interest income recognition. Interest on cash and cash equivalents is calculated using the EIR method.

4 Net assets attributable to unitholders

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

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

All Industrials Share Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Opening balance	120,683	141,455	196,350	186,524
Applications	6,421	8,548	10,711	12,166
Redemptions	(28,955)	(29,911)	(48,437)	(43,226)
Units issued upon reinvestment of distributions	82	591	135	794
Distributions paid and payable	–	–	(16,499)	(2,687)
Total comprehensive income for the year	–	–	2,547	42,779
Closing balance	98,231	120,683	144,807	196,350
Australian Share Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Opening balance	595,780	761,558	1,757,812	1,960,018
Applications	57,421	70,636	173,898	195,249
Redemptions	(123,777)	(246,849)	(375,401)	(685,565)
Units issued upon reinvestment of distributions	5,378	10,435	16,008	27,180
Distributions paid and payable	–	–	(170,308)	(97,591)
Total comprehensive income for the year	–	–	38,773	358,521
Closing balance	534,802	595,780	1,440,782	1,757,812

4 Net assets attributable to unitholders (continued)

Concentrated Australian Share Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Opening balance	116,464	104,114	216,254	168,864
Applications	22,616	47,213	43,810	81,276
Redemptions	(25,720)	(35,090)	(49,682)	(60,657)
Units issued upon reinvestment of distributions	120	227	230	373
Distributions paid and payable	-	-	(3,665)	(3,004)
Total comprehensive income for the year	-	-	6,532	29,402
Closing balance	113,480	116,464	213,479	216,254

Equity Income Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Opening balance	606,283	754,429	535,785	592,701
Applications	104,281	144,132	95,758	120,309
Redemptions	(158,964)	(294,549)	(145,615)	(243,426)
Units issued upon reinvestment of distributions	434	2,271	396	1,804
Distributions paid and payable	-	-	(32,917)	(33,827)
Total comprehensive income for the year	-	-	44,111	98,224
Closing balance	552,034	606,283	497,518	535,785

4 Net assets attributable to unitholders (continued)

Future Leaders Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Opening balance	429,350	511,129	485,737	451,040
Applications	38,300	46,468	44,608	46,634
Redemptions	(86,878)	(128,794)	(100,771)	(129,181)
Units issued upon reinvestment of distributions	850	547	1,014	530
Distributions paid and payable	–	–	(45,160)	(7,560)
Total comprehensive income for the year	–	–	(34,830)	124,274
Closing balance	381,622	429,350	350,598	485,737

Private Portfolio Fund	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	No.('000)	No.('000)	\$'000	\$'000
Class A				
Opening balance	23,476	10,974	23,740	10,023
Applications	18,332	17,524	19,140	17,093
Redemptions	(6,760)	(5,028)	(7,117)	(5,143)
Units issued upon reinvestment of distributions	3	6	3	5
Distributions paid and payable	–	–	(2,210)	(627)
Total comprehensive income for the year	–	–	1,600	2,389
Closing balance – classified as liability	35,051	23,476	35,156	23,740
Class B				
Opening balance	–	–	–	–
Applications	2,025	–	2,019	–
Redemptions	(26)	–	(25)	–
Units issued upon reinvestment of distributions	–	–	–	–
Distributions paid and payable	–	–	(93)	–
Total comprehensive income for the year	–	–	(44)	–
Closing balance – classified as liability	1,999	–	1,857	–

4 Net assets attributable to unitholders (continued)

Small Cap Fund	30 June 2022 No.('000)	30 June 2021 No.('000)	30 June 2022 \$'000	30 June 2021 \$'000
Opening balance	23,260	28,131	36,361	32,803
Applications	2,628	3,015	4,323	4,022
Redemptions	(4,226)	(7,899)	(6,932)	(10,830)
Units issued upon reinvestment of distributions	16	13	27	18
Distributions paid and payable	-	-	(605)	(493)
Total comprehensive income for the year	-	-	(2,834)	10,841
Closing balance	21,678	23,260	30,340	36,361

Smaller Companies Fund	30 June 2022 No.('000)	30 June 2021 No.('000)	30 June 2022 \$'000	30 June 2021 \$'000
Opening balance	84,572	94,558	153,763	140,966
Applications	10,667	12,037	19,995	20,784
Redemptions	(22,609)	(22,653)	(43,858)	(39,121)
Units issued upon reinvestment of distributions	1,423	630	2,628	989
Distributions paid and payable	-	-	(19,373)	(12,128)
Total comprehensive income for the year	-	-	(11,335)	42,273
Closing balance	74,053	84,572	101,820	153,763

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual share in the Schemes and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Schemes except for the Private Portfolio Fund.

For the year ended 30 June 2022, there were two separate classes of units in the Private Portfolio Fund and each unit has the same right attaching to it as all other units in the same class of this Scheme. Unitholders of A class and B class units are both entitled to being notified of any general meetings regarding of the Fund, voting rights and dividends. The difference between the class units is in regards to fees as outlined in the Product Disclosure Statement and Information Memorandum.

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 reporting year cannot be reliably determined.

4 Net assets attributable to unitholders (continued)

Capital risk management

The Schemes consider net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the impact of applications and redemptions relative to the liquid assets in the Schemes.

Capital gains/(losses)

At the reporting date, the Schemes had the following net unrealised taxable capital gains/(losses) and realised capital losses available to offset against future assessable capital gains.

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unrealised capital gains/(losses)	17,937	25,578	275,347	337,881	10,453	11,435	(74,885)	(68,856)
Realised capital (losses)	-	(687)	-	-	(783)	(5,748)	(67,710)	(25,720)

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unrealised capital gains/(losses)	(45,913)	13,929	(113)	957	(5,798)	775	(19,295)	5,520
Realised capital (losses)	-	(1,882)	-	-	(3,740)	-	-	-

5 Distributions to unitholders

The distributions for the year were as follows:

	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
All Industrials Share Fund				
Distributions				
Distributions paid - December	4,146	4.00	1,573	1.20
Distributions payable - June	12,353	12.58	1,114	0.92
	16,499		2,687	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Australian Share Fund				
Distributions				
Distributions paid - December	33,753	6.00	20,938	3.00
Distributions payable - June	136,555	25.53	76,653	12.87
	170,308		97,591	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Concentrated Australian Share Fund				
Distributions				
Distributions paid - December	2,188	2.00	1,212	0.72
Distributions payable - June	1,477	1.30	1,792	1.54
	3,665		3,004	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Equity Income Fund				
Distributions				
Distributions paid - September	8,279	1.40	9,893	1.40
Distributions paid - December	8,059	1.40	9,418	1.40
Distributions paid - March	7,271	1.30	7,854	1.25
Distributions payable - June	9,308	1.69	6,662	1.09
	32,917		33,827	

5 Distributions to unitholders (continued)

	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Future Leaders Fund				
Distributions				
Distributions paid - December	12,116	3.00	4,612	1.00
Distributions payable - June	33,044	8.66	2,948	0.69
	<u>45,160</u>		<u>7,560</u>	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Private Portfolio Fund				
Distributions – Class A				
Distributions paid - December	644	2.00	–	–
Distributions payable - June	1,566	4.47	627	2.67
	<u>2,210</u>		<u>627</u>	
Distributions – Class B				
Distributions payable - June	93	4.66	–	–
	<u>93</u>		<u>–</u>	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Small Cap Fund				
Distributions				
Distributions paid - December	221	1.00	254	1.00
Distributions payable - June	384	1.77	239	1.03
	<u>605</u>		<u>493</u>	
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Smaller Companies Fund				
Distributions				
Distributions paid - December	5,162	7.00	1,374	1.50
Distributions payable - June	14,211	19.19	10,754	12.72
	<u>19,373</u>		<u>12,128</u>	

6 Cash and cash equivalents

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	As at		As at		As at		As at	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Cash and cash equivalents								
Cash at bank	26,698	6,308	84,432	40,797	36,747	16,837	35,487	51,536
Margin accounts*	385	451	3,105	3,336	2,627	2,684	49,900	33,986
	27,083	6,759	87,537	44,133	39,374	19,521	85,387	85,522

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	As at		As at		As at		As at	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Cash and cash equivalents								
Cash at bank	26,019	18,715	10,889	6,395	1,135	1,539	13,963	14,266
Margin accounts*	136	137	4,832	2,482	7	7	22	22
	26,155	18,852	15,721	8,877	1,142	1,546	13,985	14,288

*These margin accounts are held by brokers.

7 Financial assets at fair value through profit or loss

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	124,016	183,001	1,419,559	1,723,221	168,376	191,821	387,139	414,179
Listed equities	5,040	7,355	44,434	59,799	7,492	6,836	32,693	40,387
Listed unit trusts	-	-	1,696	-	-	-	2,490	-
Preference shares	-	-	-	-	-	-	6,525	5,239
Interest bearing securities	22	-	308	280	-	-	-	-
Futures	1,169	-	6,240	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
Total financial assets at fair value through profit and loss	130,247	190,356	1,472,237	1,783,300	175,868	198,657	428,847	459,805

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	337,767	435,443	18,723	12,986	27,687	32,019	95,069	137,648
Listed equities	20,345	34,579	2,394	2,887	1,979	2,878	7,308	13,985
Listed unit trusts	-	-	1,931	726	-	-	-	-
Interest bearing securities	-	-	70	-	-	-	-	-
Futures	-	-	110	25	-	-	-	-
Options	-	-	-	-	-	-	-	-
Total financial assets at fair value through profit and loss	358,112	470,022	23,228	16,624	29,666	34,897	102,377	151,633

8 Financial liabilities at fair value through profit or loss

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities at fair value through profit and loss								
Futures	-	-	-	-	-	-	-	11
Options	13	5	227	26	-	-	3,078	3,571
Total financial liabilities at fair value through profit and loss	13	5	227	26	-	-	3,078	3,582

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities at fair value through profit and loss								
Listed equities	-	-	692	388	-	-	-	-
Listed unit trust	-	-	-	142	-	-	-	-
Futures	-	-	-	3	-	-	-	-
Options	-	-	1,309	578	-	-	-	-
Total financial liabilities at fair value through profit and loss	-	-	2,001	1,111	-	-	-	-

9 Derivative financial instruments

In the normal course of business, the Schemes enter 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 many different instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Schemes' 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 Schemes against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Schemes.

The Schemes 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 year, 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. Options held by the Schemes are exchange traded. The Schemes are 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.

9 Derivative financial instruments (continued)

	All Industrials Share Fund				Australian Share Fund				Concentrated Australian Share Fund			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000
Futures	22	—	—	—	308	—	280	—	—	—	—	—
Options	1,169	13	—	5	6,240	227	—	26	—	—	—	—
	1,191	13	—	5	6,548	227	280	26	—	—	—	—

	Equity Income Fund				Future Leaders Fund				Private Portfolio Fund			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000
Futures	—	—	—	11	—	—	—	—	70	—	—	3
Options	—	3,078	—	3,571	—	—	—	—	110	1,309	25	578
	—	3,078	—	3,582	—	—	—	—	180	1,309	25	581

	Small Cap Fund				Smaller Companies Fund			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000	Fair value Assets \$'000	Fair value Liabilities \$'000
Futures	—	—	—	—	—	—	—	—
Options	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—

An overview of the risk exposures relating to derivatives is included in Note 11.

10 Related party transactions

Responsible entity

The Responsible Entity of the following Schemes is Investors Mutual Limited, whose immediate and ultimate holding company is Natixis Investment Managers Participations 1.

- All Industrial Share Fund
- Australian Share Fund
- Concentrated Australian Share Fund
- Equity Income Fund
- Future Leaders Fund
- Private Portfolio Fund
- Small Cap Fund
- Smaller Companies Fund

Details of Key management personnel

(a) Responsible Entity

Investors Mutual Limited, the Responsible Entity of the Schemes, is considered to be Key Management Personnel with the authority for the strategic direction and management of the Schemes.

(b) Directors

The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Anton Tagliaferro
Hugh Giddy
Simon Conn
Fabrice Chemouny
James Orfanos
Damon Hambly
Eric Ward

10 Related party transactions (continued)

Related party unitholdings

Parties related to the Schemes (including Investors Mutual Limited, its related parties and other schemes managed by Investors Mutual Limited), held units in the Schemes as follows:

	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Scheme \$
Concentrated Australian Share Fund						
2022						
Unitholder						
Cannae Birdies Pty Limited	93,079	94,672	0.08	1,593	-	3,085
Total	93,079	94,672		1,593	-	3,085
2021						
Unitholder						
Cannae Birdies Pty Limited	91,777	93,079	0.08	1,302	-	2,338
Total	91,777	93,079		1,302	-	2,338

10 Related party transactions (continued)

Related party unitholdings (continued)

	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Scheme \$
Private Portfolio Fund (Class A)						
2022						
Unitholder						
AKAT Investments ATF Tag Family Trust	4,146,735	2,269,506	6.13	-	1,877,229	184,306
Total	4,146,735	2,269,506		-	1,877,229	184,306
2021						
Unitholder						
AKAT Investments ATF Tag Family Trust	-	4,146,735	18.23	4,146,735	-	110,794
Total	-	4,146,735		4,146,735	-	110,794
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Scheme \$
Small Cap Fund						
2022						
Unitholder						
AKAT Investments ATF Tag Family Trust	-	-	-	-	-	-
Hotchpotch Investments P/L ATF Conn Family Super Fund	47,723	48,607	0.22	885	-	1,328
Total	47,723	48,607		885	-	1,328
2021						
Unitholder						
AKAT Investments ATF Tag Family Trust	979,437	-	-	-	979,437	-
Hotchpotch Investments P/L ATF Conn Family Super Fund	46,960	47,723	0.20	763	-	957
Total	1,026,397	47,723		763	979,437	957

10 Related party transactions (continued)

Related party unitholdings (continued)

There were no related parties holding units in All Industrials Share Fund, Australian Share Fund, Equity Income Fund, Future Leaders Fund and Smaller Companies Fund.

Key management personnel unitholdings

At 30 June 2022 and 30 June 2021, no key management personnel held units in the Schemes except the Concentrated Australian Share Fund and Small Cap Fund as noted above.

Key management personnel compensation

No amount is paid by the Schemes directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Schemes to the Directors as key management personnel.

Compensation is paid to the Responsible Entity in the form of fees as discussed below.

Key management personnel loan disclosures

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

Investments

The Schemes did not hold investments in Schemes which are also managed by Investors Mutual Limited or its related parties.

Other transactions within the Schemes

From time to time directors of the Responsible Entity, or their director related entities, may invest in or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Schemes since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

10 Related party transactions (continued)

Responsible Entity's fees and other transactions

For the year ended 30 June 2022, in accordance with the Schemes' Constitutions, the Responsible Entity received management fees based on the percentage below of the respective Schemes' net asset value (inclusive of GST, net of RITC available to the Schemes) per annum as follows:

All Industrials Share Fund 0.993% (2021: 0.993%)

Australian Share Fund 0.993% (2021: 0.993%)

Concentrated Australian Share Fund 0.993% (2021: 0.993%)

Equity Income Fund 0.993% (2021: 0.993%)

Future Leaders Fund 0.993% (2021: 0.993%)

Private Portfolio Fund (Class A) 0.993% (2021: 0.993%)

Private Portfolio Fund (Class B) 0.7%

Small Cap Fund 1.15% (2021: 1.15%)

Smaller Companies Fund 0.993% (2021: 0.993%)

10 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

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 Schemes and the Responsible Entity were as follows:

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Fees earned by the Responsible Entity for the management of investments	1,783,592	1,826,216	17,095,585	18,292,224	2,162,157	1,923,557	5,267,321	5,352,628
Fees payable to the Responsible Entity as at reporting date	129,650	157,057	1,301,680	1,458,301	175,228	172,649	416,906	430,446

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Fees earned by the Responsible Entity for the management of investments	4,698,616	4,513,426	331,911	173,905	418,782	393,160	1,440,001	1,492,923
Fees payable to the Responsible Entity as at reporting date	320,925	387,042	54,688	64,809	29,720	33,619	95,987	129,134

\$95,069 (2021: \$171,302) performance fee was incurred in 2022 of which \$95,069 (2021: \$171,302) is payable as at 30 June 2022 by the Private Portfolio Fund to Investors Mutual Limited.

11 Financial risk management

The Schemes' overall risk management program focuses on ensuring compliance with the Schemes' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Schemes are exposed. Financial risk management is carried out by an investment manager under policies approved by the investment manager.

(a) Strategy in using financial instruments

The allocation of assets between the various types of financial instruments is determined by the Schemes' investment manager as identified in the Schemes' Product Disclosure Statement who manages the Schemes' assets to achieve the Schemes' investment objectives. The monitoring of asset allocations and the composition of the assets is also monitored by the Schemes' investment manager on at least a monthly basis. The custody of assets is outsourced to Citigroup Pty Limited since 27 November 2021.

Financial instruments of the Schemes comprise of investments in financial assets for the purpose of generating a return on the investment made by the unitholders, in addition to derivatives (used from time to time), cash and cash equivalents, net assets attributable to unitholders, and other financial instruments such as trade debtors and creditors, which arise directly from its operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Schemes' investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Schemes' exposure to each of the above risks, the Schemes' objectives, policies and processes for measuring and managing risk.

The Responsible Entity has overall responsibility for the establishment and oversight of the Schemes' financial risk management framework.

The Responsible Entity oversees how management monitors compliance with the Schemes' financial risk management policies and procedures. The Responsible Entity also ensures the continued adequacy of the financial risk management framework.

Information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate, including the investment manager, compliance manager, other key management and ultimately the directors of the Responsible Entity.

11 Financial risk management (continued)

(a) Strategy in using financial instruments (continued)

The use of derivatives is considered to be part of the investment and asset management processes and is not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- As a substitute for physical securities until the physical position can be established;
- Adjusting asset exposures within the parameters set in the investment strategy; and
- Adjusting the duration of fixed interest assets or the weighted average maturity of cash assets.

Derivatives are not used to gear (leverage) an asset. Gearing an asset would occur if the level of exposure to the markets exceeds the underlying value of the Schemes.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Schemes' 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.

The Schemes are exposed, particularly in equity assets, to market risks. The Schemes also utilise derivatives. The Schemes invest in securities traded on global markets, market risk is a risk to which exposure is unavoidable. The risk is mitigated through diversification of the portfolio that is captured by investments in various industries.

(i) Foreign exchange risk

Schemes that invest in international assets are exposed to currency risk. Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Investment Managers may enter into derivative contracts (such as forwards, swaps, options and futures) through approved foreign exchange dealers to minimise risk. However, the use of these contracts must be consistent with the investment strategy and restrictions of each Scheme, and agreed acceptable level of foreign exchange risk.

The Schemes may enter into transactions denominated in currencies other than Australian dollars. The Schemes are therefore exposed to risks that the exchange rate of the Australian dollar relative to other foreign currencies may change and have an adverse effect on the Schemes' assets and liabilities denominated in currencies other than the Australian dollar.

At 30 June 2022 and 30 June 2021 none of the Schemes are exposed to foreign exchange risk. Foreign currency exposure is monitored by the investment managers. The investment managers aim to remove effect of foreign currency on the Schemes' investments wherever it is possible and prudent to do so.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk

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

The Schemes are exposed to interest rate risk on its cash holdings and margin accounts. Interest income from cash holdings and margin accounts is earned at variable interest rates. Investments in cash holdings are at call.

The Schemes' exposure to interest rate risk and the effective weighted average interest rate of classes of financial assets and financial liabilities is set out below:

All Industrials Share Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months \$'000	More than 3 and less than 12 months \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
30 June 2022	%	\$'000					
Financial Assets							
Cash and cash equivalents	0.02	27,083	—	—	—	—	27,083
Net exposure		27,083	—	—	—	—	27,083
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.08	6,759	—	—	—	—	6,759
Net exposure		6,759	—	—	—	—	6,759

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$55,057 (2021: \$82,302). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Australian Share Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.02	87,537	–	–	–	–	87,537
Net exposure		87,537	–	–	–	–	87,537
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	–	44,133	–	–	–	–	44,133
Net exposure		44,133	–	–	–	–	44,133

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$383,709 (2021: \$284,594). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There was no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Concentrated Australian Share Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months \$'000	More than 3 and less than 12 months \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
30 June 2022	%	\$'000					
Financial Assets							
Cash and cash equivalents	0.03	39,374	–	–	–	–	39,374
Net exposure		39,374	–	–	–	–	39,374
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.05	19,521	–	–	–	–	19,521
Net exposure		19,521	–	–	–	–	19,521

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$198,519 (2021: \$244,114). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Equity Income Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.01	85,387	–	–	–	–	85,387
Interest bearing securities	4.38	–	–	–	–	6,525	6,525
Net exposure		85,387	–	–	–	6,525	91,912
<hr/>							
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.23	85,522	–	–	–	–	85,522
Interest bearing securities	4.75	–	–	–	–	5,230	5,230
Net exposure		85,522	–	–	–	5,230	90,752

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$546,186 (2021: \$680,637). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Future Leaders Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.03	26,155	–	–	–	–	26,155
Net exposure		26,155	–	–	–	–	26,155
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.10	18,852	–	–	–	–	18,852
Net exposure		18,852	–	–	–	–	18,852

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$123,426 (2021: \$210,814). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Private Portfolio Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	(0.12)	15,721	–	–	–	–	15,721
Interest bearing securities	3.11	–	–	–	–	1,931	1,931
Net exposure		15,721	–	–	–	1,931	17,652
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	(0.10)	8,877	–	–	–	–	8,877
Interest bearing securities	1.35	–	–	–	–	726	726
Net exposure		8,877	–	–	–	726	9,603

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$101,838 (2021: \$68,420). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Small Cap Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.03	1,142	-	-	-	-	1,142
Net exposure		1,142	-	-	-	-	1,142
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.01	1,546	-	-	-	-	1,546
Net exposure		1,546	-	-	-	-	1,546

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$8,944 (2021: \$13,594). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Smaller Companies Fund	Weight Average interest rate	Floating interest rate	More than 1 and less than 3 months	More than 3 and less than 12 months	1 to 5 years	Greater than 5 years	Total
30 June 2022	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.02	13,985	–	–	–	–	13,985
Net exposure		13,985	–	–	–	–	13,985
30 June 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and cash equivalents	0.09	14,288	–	–	–	–	14,288
Net exposure		14,288	–	–	–	–	14,288

Sensitivity analysis

An increase of 0.75% (2021: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2022 by \$53,049 (2021: \$88,772). A decrease of 0.75% (2021: 0.75%) would have the equal but opposite effect to the amounts shown. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2021.

(iii) Price risk

Price risk is the risk that the fair values of equities, listed unit trusts or equity-linked derivatives decrease as a result of changes in the levels of market indices and the value of individual shares. The price risk exposure arises from the Schemes' investments in financial instruments.

Management's best estimate of the effect on profit/(loss) for the year due to a reasonably possible change in market indices, with all other variables held constant is indicated in the table below. There is no effect on 'other comprehensive income' as the Schemes have no assets classified as fair value through other comprehensive income or designated hedging instruments. In practice the actual trading results may differ from the sensitivity analysis below and the difference could be material.

As the majority of the Schemes' investments are carried at fair value with fair value changes recognised in the statements of profit or loss and other comprehensive income, all changes in market conditions will directly affect net investment income.

11 Financial risk management (continued)

(b) Market risk (continued)

(iii) Price risk (continued)

Risk management techniques are used in the selection of investments. Securities/investments (including derivatives) are only purchased that meet investment criteria.

Sensitivity analysis

The sensitivity analysis is based on a generic approach using +/- 10%, which gives the user/investor a benchmark to demonstrate how sensitive each portfolio is in relation to changes in various risk parameters. The sensitivity analysis includes all underlying investments in financial assets and financial liabilities.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for All Industrials Share Fund would have increased operating profit attributable to unitholders in 2022 by \$13,023,371 (2021: \$19,035,162). This analysis assumes that all other variables remain constant.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for Australian Share Fund would have increased operating profit attributable to unitholders in 2022 by \$147,200,965 (2021: \$178,327,341). This analysis assumes that all other variables remain constant.

An increase of 10% (2021: 10%) at the reporting date of the underlying investments' prices for Concentrated Australian Share Fund would have increased operating profit attributable to unitholders in 2022 by \$17,586,817 (2021: \$19,865,659). This analysis assumes that all other variables remain constant.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for Equity Income Fund would have increased operating profit attributable to unitholders in 2022 by \$41,924,477 (2021: \$45,098,387). This analysis assumes that all other variables remain constant.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for Future Leaders Fund would have decreased operating loss attributable to unitholders in 2022 by \$35,811,238 (2021: \$47,002,161). This analysis assumes that all other variables remain constant.

An increase of 10% (2021: 10%) at the reporting date of the underlying investments' prices for Private Portfolio Fund would have increased operating profit attributable to unitholders in 2022 by \$1,929,586 (2021: \$1,551,221). This analysis assumes that all other variables remain constant.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for Small Cap Fund would have decreased operating loss attributable to unitholders in 2022 by \$2,966,572 (2021: \$3,489,727). This analysis assumes that all other variables remain constant.

An increase of 10% (2021:10%) at the reporting date of the underlying investments' prices for Smaller Companies Fund would have decreased operating loss attributable to unitholders in 2022 by \$10,237,643 (2021: \$15,163,299). This analysis assumes that all other variables remain constant.

A decrease of 10% (2021: 10%) would have the equal, but opposite effect to the amounts shown above, on the basis that all other variable remain constant.

11 Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Schemes. The Schemes' investment managers have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

With respect to credit risk arising from the financial assets of the Schemes, other than derivatives, the Schemes' exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed on the statements of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Schemes hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or otherwise be past due or impaired except for the terms having been renegotiated.

Credit risk is not considered to be a major risk to the Schemes as any cash held by the Schemes are invested with financial institutions that have very strong credit ratings. The balance of investments are held in listed securities and derivatives are entered into with reputable financial institutions.

Other credit risk arises from cash and cash equivalents and amounts due from brokers. At 30 June 2022 and 30 June 2021, all receivables, amounts due from brokers and cash and cash equivalents are either callable on demand or due to be settled within 6 months. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Schemes.

The clearing and depository operations for the Schemes' security transactions are mainly concentrated with one counterparty, namely Citigroup Pty Limited. Citigroup Pty Limited at 30 June 2022 had a credit rating of AA- (2021: AA-). At 30 June 2022, substantially all cash and cash equivalents, balances due from broker and investments are held in custody by Citigroup Pty Limited.

(d) Liquidity risk

Liquidity risk is the risk that the Schemes will not be able to meet their financial obligations as they fall due. The risk is controlled through the Schemes' investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Schemes maintain sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Schemes comprise of trade and other payables and distributions payable. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

Net assets attributable to unitholders are entirely payable on demand.

11 Financial risk management (continued)

(d) Liquidity risk (continued)

The tables below summarise the maturity profile of the Schemes' financial liabilities, gross settled derivatives and redeemable shares based on contractual undiscounted cash flows.

All Industrials Share Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	12,353	12,353	12,353	--	--	--	--
Due to brokers - payable for securities purchased	628	628	--	628	--	--	--
Redemptions payable	132	132	--	132	--	--	--
Other payables	130	130	--	130	--	--	--
Subtotal	<u>13,243</u>	<u>13,243</u>	<u>12,353</u>	<u>890</u>	<u>--</u>	<u>--</u>	<u>--</u>
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	13	13	7	6	--	--	--
Subtotal	<u>13</u>	<u>13</u>	<u>7</u>	<u>6</u>	<u>--</u>	<u>--</u>	<u>--</u>
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	1,114	1,114	1,114	--	--	--	--
Due to brokers - payable for securities purchased	1,639	1,639	--	1,639	--	--	--
Redemptions payable	128	128	--	128	--	--	--
Other payables	162	162	--	162	--	--	--
Subtotal	<u>3,043</u>	<u>3,043</u>	<u>1,114</u>	<u>1,929</u>	<u>--</u>	<u>--</u>	<u>--</u>
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	5	5	--	5	--	--	--
Subtotal	<u>5</u>	<u>5</u>	<u>--</u>	<u>5</u>	<u>--</u>	<u>--</u>	<u>--</u>

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Australian Share Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	136,555	136,555	136,555	–	–	–	–
Redemptions payable	1,518	1,518	–	1,518	–	–	–
Other payables	2,446	2,446	–	2,446	–	–	–
Subtotal	140,519	140,519	136,555	3,964	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	227	227	136	91	–	–	–
Subtotal	227	227	136	91	–	–	–
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	76,653	76,653	76,653	–	–	–	–
Due to brokers - payable for securities purchased	708	708	–	708	–	–	–
Redemptions payable	2,256	2,256	–	2,256	–	–	–
Other payables	1,506	1,914	–	1,506	–	–	–
Subtotal	81,123	81,123	76,653	4,470	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	26	26	–	26	–	–	–
Subtotal	26	26	–	26	–	–	–

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Concentrated Australian Share Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	1,477	1,477	1,477	–	–	–	–
Redemptions payable	407	407	–	407	–	–	–
Other payables	622	622	–	622	–	–	–
Subtotal	2,506	2,506	1,477	1,029	–	–	–
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	1,792	1,792	1,792	–	–	–	–
Redemptions payable	311	311	–	311	–	–	–
Other payables	178	178	–	178	–	–	–
Subtotal	2,281	2,281	1,792	489	–	–	–

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Equity Income Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	9,308	9,308	9,308	–	–	–	–
Redemptions payable	758	758	–	758	–	–	–
Other payables	5,601	5,601	–	5,601	–	–	–
Subtotal	15,667	15,667	9,308	6,359	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	3,078	3,078	711	2,367	–	–	–
Subtotal	3,078	3,078	711	2,367	–	–	–
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	6,662	6,662	6,662	–	–	–	–
Due to brokers - payable for securities purchased	115	115	115	–	–	–	–
Redemptions payable	1,338	1,338	–	1,338	–	–	–
Other payables	444	444	–	444	–	–	–
Subtotal	8,559	8,559	6,777	1,782	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	3,582	3,582	444	3,138	–	–	–
Subtotal	3,582	3,582	444	3,138	–	–	–

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Future Leaders Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	33,044	33,044	33,044	–	–	–	–
Due to brokers - payable for securities purchased	449	449	–	449	–	–	–
Redemptions payable	422	422	–	422	–	–	–
Other payables	321	321	–	321	–	–	–
Subtotal	34,236	34,236	33,044	1,192	–	–	–
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	2,948	2,948	2,948	–	–	–	–
Due to brokers - payable for securities purchased	1,893	1,893	–	1,893	–	–	–
Redemptions payable	528	528	–	528	–	–	–
Other payables	400	400	–	400	–	–	–
Subtotal	5,769	5,769	2,948	2,821	–	–	–

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Private Portfolio Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	1,659	1,659	1,659	--	-	-	-
Due to brokers - payable for securities purchased	588	588	--	588	-	-	-
Other payables	156	156	-	156	-	-	-
Subtotal	<u>2,403</u>	<u>2,403</u>	<u>1,659</u>	<u>744</u>	<u>--</u>	<u>-</u>	<u>-</u>
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	2,001	2,001	715	1,286	--	-	-
Subtotal	<u>2,001</u>	<u>2,001</u>	<u>715</u>	<u>1,286</u>	<u>--</u>	<u>-</u>	<u>-</u>
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	627	627	627	-	-	-	-
Investments in financial liabilities at fair value through profit or loss	530	530	-	530	-	-	-
Due to brokers - payable for securities purchased	313	313	313	-	-	-	-
Redemptions payable	19	19	19	-	-	-	-
Other payables	244	244	-	244	-	-	-
Subtotal	<u>1,733</u>	<u>1,733</u>	<u>959</u>	<u>774</u>	<u>--</u>	<u>-</u>	<u>-</u>
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	581	581	249	332	--	-	-
Subtotal	<u>581</u>	<u>581</u>	<u>249</u>	<u>332</u>	<u>--</u>	<u>-</u>	<u>-</u>

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Small Cap Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	384	384	384	-	-	-	-
Due to brokers - payable for securities purchased	156	156	156	-	-	-	-
Redemptions payable	12	12	-	12	-	-	-
Other payables	30	30	-	30	-	-	-
Subtotal	<u>582</u>	<u>582</u>	<u>540</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	239	239	239	-	-	-	-
Due to brokers - payable for securities purchased	517	517	517	-	-	-	-
Redemptions payable	113	113	-	113	-	-	-
Other payables	35	35	-	35	-	-	-
Subtotal	<u>904</u>	<u>904</u>	<u>756</u>	<u>148</u>	<u>-</u>	<u>-</u>	<u>-</u>

11 Financial risk management (continued)

(d) Liquidity risk (continued)

Smaller Companies Fund

	Carrying amount \$'000	Contractual cash flow \$'000	Less than a month \$'000	1-6 months \$'000	6-12 months \$'000	1-5 years \$'000	More than 5 years \$'000
30 June 2022							
Non-Derivative financial liabilities							
Distributions payable	14,211	14,211	14,211	-	-	-	-
Redemption payables	70	70	-	70	-	-	-
Other payables	539	539	-	539	-	-	-
Subtotal	<u>14,820</u>	<u>14,820</u>	<u>14,211</u>	<u>609</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 June 2021							
Non-Derivative financial liabilities							
Distributions payable	10,754	10,754	10,754	-	-	-	-
Due to brokers - payable for securities purchased	1,721	1,721	-	1,721	-	-	-
Redemption payables	539	539	-	539	-	-	-
Other payables	133	133	-	133	-	-	-
Subtotal	<u>13,147</u>	<u>13,147</u>	<u>10,754</u>	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>-</u>

12 Offsetting financial assets and financial liabilities

For certain financial assets and liabilities they are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. In particular circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is receivable/payable in settlement of all transactions. As the Schemes do not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the first three columns of the tables below.

The Future Leaders Fund, Small Cap Fund and Smaller Companies Fund did not hold any derivatives during the current year and prior year. Hence, the offsetting tables for these years have not been shown for these Schemes.

	Effects of offsetting on the statement of financial position			Related amounts not offset		Net amounts
	Gross amounts of financial assets and financial liabilities	Gross amounts set off in the statement of position	Net amount of financial assets presented in the statement of financial position	Amounts subject to master netting arrangements	Cash collateral pledge	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
All Industrials Share Fund						
30 June 2022						
Financial assets						
Derivative financial instruments	1,191	–	1,191	–	–	1,191
Total	1,191	–	1,191	–	–	1,191
30 June 2021						
Financial assets						
Derivative financial instruments	–	–	–	–	–	–
Total	–	–	–	–	–	–
30 June 2022						
Financial liabilities						
Derivative financial instruments	(13)	–	(13)	–	–	(13)
Total	(13)	–	(13)	–	–	(13)
30 June 2021						
Financial liabilities						
Derivative financial instruments	(5)	–	(5)	–	–	(5)
Total	(5)	–	(5)	–	–	(5)

12 Offsetting financial assets and financial liabilities (continued)

Australian Share Fund	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial assets and financial liabilities	Gross amounts set off in the statement of position	Net amount of financial assets presented in the statement of financial position	Amounts subject to master netting arrangements	Cash collateral pledge	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022						
Financial assets						
Derivative financial instruments	6,548	–	6,548	–	–	6,548
Total	6,548	–	6,548	–	–	6,548
30 June 2021						
Financial assets						
Derivative financial instruments	280	–	280	–	–	280
Total	280	–	280	–	–	280
30 June 2022						
Financial liabilities						
Derivative financial instruments	(277)	–	(277)	–	–	(277)
Total	(277)	–	(277)	–	–	(277)
30 June 2021						
Financial liabilities						
Derivative financial instruments	(26)	–	(26)	–	–	(26)
Total	(26)	–	(26)	–	–	(26)

12 Offsetting financial assets and financial liabilities (continued)

Equity Income Fund	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial assets and financial liabilities	Gross amounts set off in the statement of position	Net amount of financial assets presented in the statement of financial position	Amounts subject to master netting arrangements	Cash collateral pledge	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2021						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2022						
Financial liabilities						
Derivative financial instruments	(3,078)	-	(3,078)	-	-	(3,078)
Total	(3,078)	-	(3,078)	-	-	(3,078)
30 June 2021						
Financial liabilities						
Derivative financial instruments	(3,582)	-	(3,582)	-	-	(3,582)
Total	(3,582)	-	(3,582)	-	-	(3,582)

12 Offsetting financial assets and financial liabilities (continued)

Private Portfolio Fund	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial assets and financial liabilities \$'000	Gross amounts set off in the statement of position \$'000	Net amount of financial assets presented in the statement of financial position \$'000	Amounts subject to master netting arrangements \$'000	Cash collateral pledge \$'000	Net amounts \$'000
30 June 2022						
Financial assets						
Derivative financial instruments	180	-	180	-	-	180
Total	180	-	180	-	-	180
30 June 2021						
Financial assets						
Derivative financial instruments	25	-	25	-	-	25
Total	25	-	25	-	-	25
30 June 2022						
Financial liabilities						
Derivative financial instruments	(1,309)	-	(1,309)	-	-	(1,309)
Total	(1,309)	-	(1,309)	-	-	(1,309)
30 June 2021						
Financial liabilities						
Derivative financial instruments	(581)	-	(581)	-	-	(581)
Total	(581)	-	(581)	-	-	(581)

13 Fair value measurements

The Schemes measure and recognise financial assets and liabilities held at fair value through profit or loss on a recurring basis.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Fair value estimation

The carrying amounts of the Schemes' assets and liabilities at the end of each reporting year approximate their fair values.

All financial assets and financial liabilities through profit or loss included in the statements of financial position are carried at fair value.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statements of profit or loss and other comprehensive income.

(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 quoted market price used for financial assets held by the Schemes is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Schemes hold derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

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

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

13 Fair value measurements

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

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

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

Valuation process for Level 3 valuations

Valuations are the responsibility of the Board of Directors of the Responsible Entity.

The investment committee considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Responsible Entity's Board of Directors.

The valuations are also subject to quality assurance procedures performed within the valuation department. The valuation department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the four preceding quarters as well as with the valuations of the two preceding annual years. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by the investment committee.

There were no changes in valuation techniques during the year.

13 Fair value measurements (continued)

(iii) *Recognised fair value measurements*

The tables below set out the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 30 June 2022 and 30 June 2021:

All Industrials Share Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	124,016	-	-	124,016
Listed unit trusts	5,040	-	-	5,040
Futures	22	-	-	22
Options	1,169	-	-	1,169
Total	130,247	-	-	130,247
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	13	-	-	13
Total	13	-	-	13
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	183,001	-	-	183,001
Listed unit trusts	7,355	-	-	7,355
Total	190,356	-	-	190,356
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	5	-	-	5
Total	5	-	-	5

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Australian Share Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	1,419,559	–	–	1,419,559
Listed unit trusts	44,434	–	–	44,434
Preference shares	1,696	–	–	1,696
Futures	308	–	–	308
Options	6,240	–	–	6,240
Total	1,472,237	–	–	1,472,237
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	227	–	–	227
Total	227	–	–	227
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	1,723,221	–	–	1,723,221
Listed unit trusts	59,799	–	–	59,799
Futures	280	–	–	280
Total	1,783,300	–	–	1,783,300
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	26	–	–	26
Total	26	–	–	26

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Concentrated Australian Share Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	168,376	-	-	168,376
Listed unit trusts	7,492	-	-	7,492
Total	175,868	-	-	175,868
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	191,821	-	-	191,821
Listed unit trusts	6,836	-	-	6,836
Total	198,657	-	-	198,657

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Equity Income Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	387,139	-	-	387,139
Listed unit trusts	32,693	-	-	32,693
Preference shares	2,490	-	-	2,490
Interest bearing securities	-	6,525	-	6,525
Total	422,322	6,525	-	428,847
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	3,078	-	-	3,078
Total	3,078	-	-	3,078
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	414,179	-	-	414,179
Listed unit trusts	40,387	-	-	40,387
Interest bearing securities	-	5,239	-	5,239
Total	454,566	5,239	-	459,805
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Futures	11	-	-	11
Options	3,571	-	-	3,571
Total	3,582	-	-	3,582

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Future Leaders Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	337,767	-	-	337,767
Listed unit trusts	20,345	-	-	20,345
Total	358,112	-	-	358,112
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	435,443	-	-	435,443
Listed unit trusts	34,579	-	-	34,579
Total	470,022	-	-	470,022

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Private Portfolio Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	18,723	–	–	18,723
Listed unit trusts	2,394	–	–	2,394
Futures	70	–	–	70
Options	110	–	–	110
Interest bearing securities	–	1,931	–	1,931
Total	21,297	1,931	–	23,228
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Listed equities	692	–	–	692
Options	1,309	–	–	1,309
Total	2,001	–	–	2,001
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	12,986	–	–	12,986
Listed unit trusts	2,887	–	–	2,887
Options	25	–	–	25
Interest bearing securities	–	726	–	726
Total	15,898	726	–	16,624
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Listed equities	388	–	–	388
Listed unit trusts	142	–	–	142
Futures	3	–	–	3
Options	578	–	–	578
Total	1,111	–	–	1,111

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Small Cap Fund				
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	27,687	-	-	27,687
Listed unit trusts	1,979	-	-	1,979
Total	29,666	-	-	29,666
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	32,019	-	-	32,019
Listed unit trusts	2,878	-	-	2,878
Total	34,897	-	-	34,897

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Smaller Companies Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2022				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	95,069	–	–	95,069
Listed unit trusts	7,308	–	–	7,308
Total	102,377	–	–	102,377
As at 30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	137,648	–	–	137,648
Listed unit trusts	13,985	–	–	13,985
Total	151,633	–	–	151,633

(iv) Transfers between levels

During the year there were no transfers between levels.

There were no level 3 instruments held during the year ended 30 June 2022 (2021: nil)

(v) Fair value of financial instruments not carried at fair value

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 Schemes for similar financial instruments.

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

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	2,547	42,779	38,773	358,521	6,532	29,402	44,111	98,224
Net changes in the fair value of assets	1,570	(39,656)	3,524	(324,788)	(2,775)	(26,852)	(29,820)	(87,784)
Proceeds from sale of investments	117,237	49,518	512,636	683,433	41,485	16,439	242,364	475,783
Purchase of financial instruments	(58,073)	(29,938)	(213,861)	(204,371)	(15,739)	(50,615)	(176,446)	(347,575)
Net change in dividends/distributions receivable	(68)	(232)	(633)	(208)	(126)	(63)	(99)	(190)
Dividends reinvested	(15)	–	(52)	–	–	–	(132)	–
Net change in other receivables	–	9	19	126	–	(3)	(125)	47
Net change in payables and other liabilities	(32)	(16)	(204)	(408)	(3)	19	(28)	(120)
Net cash inflow/(outflow) from operating activities	63,166	22,464	340,202	512,305	29,374	(31,673)	79,825	138,385
(b) Cash and cash equivalents								
Cash at bank	26,698	6,308	84,432	40,797	36,747	16,837	35,487	51,536
Margin accounts	385	451	3,105	3,336	2,627	2,684	49,900	33,986
	27,083	6,759	87,537	44,133	39,374	19,521	85,387	85,522
(c) Non-cash financing and investing activities								
Distributions reinvested	135	794	16,008	27,180	230	373	396	1,804

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

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	(34,830)	124,274	1,556	2,389	(2,834)	10,841	(11,335)	42,273
Net changes in the fair value of assets	42,856	(117,767)	(1,262)	(2,350)	3,307	(10,457)	13,372	(40,278)
Proceeds from sale of investments	322,138	221,895	64,398	29,389	19,379	20,180	106,364	82,058
Purchase of financial instruments	(252,880)	(168,478)	(70,430)	(36,976)	(17,127)	(13,390)	(71,186)	(65,615)
Net change in dividends/distributions receivable	349	(139)	(13)	(46)	19	16	144	18
Net change in other receivables	7	13	(46)	1	1	2	7	1
Net change in payables and other liabilities	(79)	(30)	(88)	216	(5)	(5)	(37)	(2)
Net cash inflow/(outflow) from operating activities	77,561	59,768	(5,885)	(7,377)	2,740	7,187	37,329	18,455
(b) Cash and cash equivalents								
Cash at bank	26,019	18,715	10,889	6,395	1,135	1,539	13,963	14,266
Margin accounts	136	137	4,832	2,482	7	7	22	22
	26,155	18,852	15,721	8,877	1,142	1,546	13,985	14,288
(c) Non-cash financing and investing activities								
Distributions reinvested	1,014	530	3	5	27	18	2,628	989

15 Auditor's remuneration

	All Industrials Share Fund		Australian Share Fund		Concentrated Australian Share Fund		Equity Income Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Audit and other assurance service								
Audit and review of financial reports	8,450	8,200	14,020	13,600	8,450	8,200	14,020	13,600
Audit of compliance plan	4,850	4,700	4,850	4,700	4,850	4,700	4,850	4,700
Total remuneration for audit services	13,300	12,900	18,870	18,300	13,300	12,900	18,870	18,300

	Future Leaders Fund		Private Portfolio Fund		Small Cap Fund		Smaller Companies Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Audit and other assurance service								
Audit and review of financial reports	14,020	13,600	8,450	8,200	8,450	8,200	14,020	13,600
Audit of compliance plan	4,850	4,700	4,850	4,700	4,850	4,700	4,850	4,700
Total remuneration for audit services	18,870	18,300	13,300	12,900	13,300	12,900	18,870	18,300

Auditor's remuneration is payable by the Responsible Entity. The auditor of the Schemes is Ernst & Young.

16 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the statements of financial position as at 30 June 2022 and 30 June 2021 or on the results and cash flows of the Schemes for the year ended on that date.

17 Contingent assets and liabilities and commitments

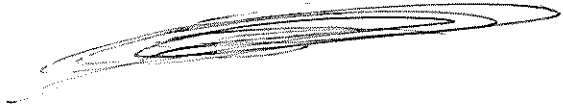
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 and 30 June 2021.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 9 to 82 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Schemes' financial position as at 30 June 2022 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as issues by the International Accounting Standards Board as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Damon Hambly
Director

Sydney
16 September 2022



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Independent auditor's report to the unitholders of Investors Mutual Limited's managed investment schemes

Opinion

- ▶ Investors Mutual Australian Share Fund
- ▶ Investors Mutual Equity Income Fund
- ▶ Investors Mutual Australian Smaller Companies Fund
- ▶ Investors Mutual All Industrials Share Fund
- ▶ Investors Mutual Future Leaders Fund
- ▶ Investors Mutual Small Cap Fund
- ▶ Investors Mutual Concentrated Australian Share Fund
- ▶ Investors Mutual Private Portfolio Fund

We have audited the financial reports of the above Schemes, which comprises the statements of financial position as at 30 June 2022, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the relevant period then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a. Giving a true and fair view of the Schemes' financial position as at 30 June 2022 and of its financial performance for the year ended on that date; 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 Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 Investors Mutual Limited as Responsible Entity ("Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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 Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Schemes' 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 Schemes' 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 Schemes to cease to continue as a going concern.



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- ▶ 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Schemes to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young
Ernst & Young

Luke Slater

Luke Slater
Partner
Sydney
16 September 2022