# 4D Emerging Markets Infrastructure Fund (ARSN 621 199 399)

# 4D Global Infrastructure Fund (Unhedged) (ARSN 610 092 503)

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## Directors' report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085), the Responsible Entity of the following managed investment schemes (the "Funds") present their report together with the financial reports of the Funds for the year ended 30 June 2023.

| **Fund name** | **ARSN** |
|---|---|
| 4D Emerging Markets Infrastructure Fund | 621 199 399 |
| 4D Global Infrastructure Fund (Unhedged) | 610 092 503 |

### Principal activities

The Funds invest in global listed infrastructure securities in accordance with the Product Disclosure Statements ("PDSs") and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the financial year.

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

The various service providers to the Funds are detailed below:

| **Service** | **Provider** |
|---|---|
| Responsible Entity | Bennelong Funds Management Ltd |
| Investment Manager | 4D Infrastructure Pty Ltd |
| Administrator and Custodian | Citigroup Pty Limited |
| Statutory Auditor | Deloitte Touche Tohmatsu |

### Directors

The following persons held office as directors of Bennelong Funds Management Ltd during the year or since the end of the year and up to the date of this report:

| | |
|---|---|
| Michael Dwyer | Chairman |
| Craig Bingham | (Resigned 17 February 2023) |
| John Burke | (Appointed 27 March 2023) |
| Vicki Allen | |
| Lincoln McMahon | |
| Adam Tindall | |
| Andrea Waters | |

## Directors' report (continued)

### Review and results of operations

During the year, the Funds invested monies in accordance with the investment policies set out in the relevant PDS and in accordance with the provisions of the relevant Constitution.

### Results

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

| | **4D Emerging Markets Infrastructure Fund** | | **4D Global Infrastructure Fund (Unhedged)** | |
|---|---|---|---|---|
| | **Year ended** | | **Year ended** | |
| | **30 June 2023 $'000** | 30 June 2022 $'000 | **30 June 2023 $'000** | 30 June 2022 $'000 |
| Operating profit/(loss) attributable to unitholders | **1,763** | 736 | **36,647** | 3,967 |
| Interim distribution - 30 September | **–** | – | **1,528** | 649 |
| Interim distribution - 31 December | **–** | – | **744** | 858 |
| Interim distribution - 31 March | **–** | – | **776** | 1,555 |
| Final distribution - 30 June | **395** | 406 | **2,266** | 19,293 |
| Interim distribution - 30 September cents per unit (CPU) | **–** | – | **0.7793** | 0.3483 |
| Interim distribution - 31 December cents per unit (CPU) | **–** | – | **0.4447** | 0.4018 |
| Interim distribution - 31 March cents per unit (CPU) | **–** | – | **0.4467** | 0.6829 |
| Final distribution - 30 June cents per unit (CPU) | **4.3211** | 6.5612 | **1.3019** | 8.1588 |

### Significant changes in state of affairs

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

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

There has been no matter or circumstance since 30 June 2023 that has significantly affected, or may significantly affect:

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

## Directors' report (continued)

**Likely developments and expected results of operations**

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the relevant PDS and in accordance with the provisions of the relevant Constitution.

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

**Indemnification and insurance of officers**

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to the officers of the Responsible Entity. So long as the officers of the Responsible Entity act in accordance with the Funds' Constitutions and the law, the officers remain fully indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

**Indemnity of auditor**

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

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

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

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

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

*Deferred Fund Expenses*

Under the terms of the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (“NAV”) of the Funds.

## Directors' report (continued)

*Deferred Fund Expenses (continued)*

As at 30 June 2023, the Responsible Entity has incurred reimbursable expenses in excess of the amount charged to the Funds as below:

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$** | $ | **$** | $ |
| Reimbursable expenses | **418,101** | 362,345 | **621,195** | 612,535 |

These amounts represent expenses that have been incurred by the Responsible Entity on behalf of the Funds, for which the Responsible Entity is entitled, but has deferred reimbursement. Payment of this amount is contingent upon there being significant growth in the Funds' NAV, such that the payment will not result in expenses exceeding the amount set out in the Funds' PDSs at the date of payment, the timing of which cannot be reliably estimated at the reporting date.

**Interests in the Funds**

The movement in units on issue in the Funds during the year is disclosed in note 6 to the financial reports.

The value of the Funds' assets and liabilities is disclosed in the Statements of financial position and derived using the basis set out in note 2 to the financial reports.

**Environmental regulation**

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

**Rounding of amounts to the nearest thousand dollars**

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial reports and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.

## Directors' report (continued)

### Single set of financial reports

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

### 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 7.

This report is made in accordance with a resolution of the directors of Bennelong Funds Management Ltd.



John Burke
Director
Sydney
27 September 2023

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 3 9671 7000
Fax: +61 3 9671 7001
www.deloitte.com.au

27 September 2023

The Board of Directors
Bennelong Funds Management Ltd
as Responsible Entity for 4D Funds
Level 1, 9 Queen Street
MELBOURNE VIC 3000

Dear Directors

**Independence Declaration – 4D Emerging Markets Infrastructure Fund and 4D Global Infrastructure Fund (Unhedged) (collectively "4D Funds")**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bennelong Funds Management Ltd, the Responsible Entity, regarding the annual financial reports for 4D Funds.

As lead audit partner for the audit of the financial reports of 4D Funds for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audits; and
- any applicable code of professional conduct in relation to the audits.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Adam Kuziow
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

## Statements of profit or loss and other comprehensive income

| | Notes | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|---|
| | | Year ended | | Year ended | |
| | | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | | **$'000** | $'000 | **$'000** | $'000 |
| **Investment Income** | | | | | |
| Interest income | | **6** | – | **244** | 17 |
| Dividend/distribution income | | **394** | 528 | **7,874** | 9,510 |
| Other income | | **–** | 5 | **2** | 1 |
| Net gains/(losses) on financial instruments at fair value through profit or loss | 5 | **1,472** | 329 | **31,513** | (2,259) |
| Net gains/(losses) on foreign exchange | | **(2)** | 1 | **475** | 30 |
| **Total net investment income** | | **1,870** | 863 | **40,108** | 7,299 |
| **Expenses** | | | | | |
| Management fees | 14 | **103** | 121 | **2,603** | 3,053 |
| Other operating expenses | | **4** | 6 | **858** | 279 |
| **Total operating expenses** | | **107** | 127 | **3,461** | 3,332 |
| **Operating profit/(loss) for the year** | | **1,763** | 736 | **36,647** | 3,967 |
| **Profit/(loss) for the year** | | **1,763** | 736 | **36,647** | 3,967 |
| Other comprehensive income | | **–** | – | **–** | – |
| **Total comprehensive income for the year** | | **1,763** | 736 | **36,647** | 3,967 |

*The above Statements of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial reports.*

**Statements of financial position**

| | Notes | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|---|
| | | As at | | As at | |
| | | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | | **$'000** | $'000 | **$'000** | $'000 |
| **Assets** | | | | | |
| Cash and cash equivalents | 8 | **179** | 130 | **9,904** | 13,031 |
| Receivables | 12 | **137** | 111 | **1,622** | 2,084 |
| Due from brokers - receivable for securities sold | | **14** | – | **–** | – |
| Financial assets at fair value through profit or loss | 9 | **10,621** | 6,364 | **279,956** | 350,595 |
| **Total assets** | | **10,951** | 6,605 | **291,482** | 365,710 |
| **Liabilities** | | | | | |
| Distributions payable | | **327** | 323 | **1,988** | 17,492 |
| Due to brokers - payable for securities purchased | | **14** | – | **–** | – |
| Payables | 13 | **44** | 13 | **2,455** | 2,438 |
| **Total liabilities (excluding net assets attributable to unitholders)** | | **385** | 336 | **4,443** | 19,930 |
| **Net assets attributable to unitholders - equity** | 6 | **10,566** | 6,269 | **287,039** | 345,780 |

*The above Statements of financial position should be read in conjunction with the notes to the financial reports*.

## Statements of changes in equity

| | Notes | 4D Emerging Markets Infrastructure Fund Year ended 30 June 2023 $'000 | 4D Emerging Markets Infrastructure Fund Year ended 30 June 2022 $'000 | 4D Global Infrastructure Fund (Unhedged) Year ended 30 June 2023 $'000 | 4D Global Infrastructure Fund (Unhedged) Year ended 30 June 2022 $'000 |
|---|---|---|---|---|---|
| **Total equity at the beginning of the financial year** | 6 | **6,269** | 10,946 | **345,780** | 246,391 |
| **Comprehensive income for the financial year** | | | | | |
| Profit/(loss) for the year | | **1,763** | 736 | **36,647** | 3,967 |
| Other comprehensive income | | **–** | – | **–** | – |
| **Total comprehensive income for the year** | | **1,763** | 736 | **36,647** | 3,967 |
| **Transactions with unitholders** | | | | | |
| Applications | 6 | **4,329** | 3,263 | **98,641** | 160,845 |
| Redemptions | 6 | **(1,467)** | (8,353) | **(189,343)** | (45,172) |
| Units issued upon reinvestment of distributions | 6 | **67** | 83 | **628** | 2,104 |
| Distributions paid and payable | 6 | **(395)** | (406) | **(5,314)** | (22,355) |
| **Total transactions with unitholders** | | **2,534** | (5,413) | **(95,388)** | 95,422 |
| **Total equity at the end of the financial year** | | **10,566** | 6,269 | **287,039** | 345,780 |

*The above Statements of changes in equity should be read in conjunction with the notes to the financial reports.*

## Statements of cash flows

| | Notes | 4D Emerging Markets Infrastructure Fund Year ended 30 June 2023 | 4D Emerging Markets Infrastructure Fund Year ended 30 June 2022 | 4D Global Infrastructure Fund (Unhedged) Year ended 30 June 2023 | 4D Global Infrastructure Fund (Unhedged) Year ended 30 June 2022 |
|---|---|---|---|---|---|
| | | **$'000** | $'000 | **$'000** | $'000 |
| **Cash flows from operating activities** | | | | | |
| Proceeds from sale of financial instruments at fair value through profit or loss | | **1,438** | 7,728 | **190,095** | 55,028 |
| Purchase of financial instruments at fair value through profit or loss | | **(4,225)** | (2,734) | **(87,468)** | (167,941) |
| Dividends/distributions received | | **371** | 485 | **7,769** | 8,554 |
| Interest received | | **6** | – | **244** | 17 |
| Management fees paid | | **(99)** | (125) | **(2,669)** | (2,957) |
| Other income received | | **–** | 5 | **2** | 1 |
| Other operating expenses paid | | **(4)** | (6) | **(845)** | (309) |
| **Net cash inflow/(outflow) from operating activities** | 15(a) | **(2,513)** | 5,353 | **107,128** | (107,607) |
| **Cash flows from financing activities** | | | | | |
| Proceeds from applications by unitholders | | **4,325** | 3,268 | **99,192** | 160,481 |
| Payments for redemptions by unitholders | | **(1,440)** | (8,446) | **(189,256)** | (43,954) |
| Distributions paid | | **(323)** | (160) | **(20,191)** | (4,445) |
| **Net cash inflow/(outflow) from financing activities** | | **2,562** | (5,338) | **(110,255)** | 112,082 |
| **Net increase/(decrease) in cash and cash equivalents** | | **49** | 15 | **(3,127)** | 4,475 |
| Cash and cash equivalents at the beginning of the year | | **130** | 115 | **13,031** | 8,526 |
| Effects of foreign currency exchange rate changes on cash and cash equivalents | | **–** | – | **–** | 30 |
| **Cash and cash equivalents at the end of the year** | 8 | **179** | 130 | **9,904** | 13,031 |

Non-cash financing and operating activities are disclosed in note 15(b).

*The above Statements of cash flows should be read in conjunction with the notes to the financial reports.*

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## 1 General information

These financial reports cover the following managed investment schemes (the "Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001.* The Funds may be terminated in accordance with the provisions of the Funds' Constitutions. The Funds are domiciled in Australia.

| Fund name | Date commenced operations |
|---|---|
| 4D Emerging Markets Infrastructure Fund | 16 August 2017 |
| 4D Global Infrastructure Fund (Unhedged) | 7 March 2016 |

The Responsible Entity of the Funds is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806) (the "Responsible Entity"). The Responsible Entity's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne, VIC 3000. The financial reports are presented in the Australian currency.

The Investment Manager of the Funds is 4D Infrastructure Pty Ltd.

The principal activity of each Fund during the year was the investment of unitholders funds as per the objectives stated in the Funds' Product Disclosure Statement ("PDS") and in accordance with the provisions in the Funds' Constitutions. There has been no significant change in the nature of these activities during the year.

The financial reports of the Funds were authorised for issue by the directors on 27 September 2023.

## 2 Summary of significant accounting policies

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

### (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 Interpretations and the *Corporations Act 2001* in Australia.

The Funds are for-profit entities for the purpose of preparing the financial reports.

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

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 investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within 12 months after the end of each reporting period in relation to these balances cannot be reliably determined.

*Compliance with International Financial Reporting Standards*

The financial reports of the Funds comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

## 2 Summary of significant accounting policies (continued)

### (b) New accounting standards and interpretations

*(i) New and amended standards adopted by the Funds*

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

*(ii) New standards and interpretations not yet adopted*

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

None of these are expected to have a material effect on the financial reports of the Funds.

### (c) Cash and cash equivalents

For the purpose of presentation in the Statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are not subject to a significant risk of change in value.

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 Funds' main income generating activity.

### (d) Receivables

Receivables may include amounts for dividends, distributions, interest and outstanding settlements on the sale of investments. Dividends and distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less impairment. At each reporting date, the Funds shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

### (e) 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 two business days.

These amounts are recognised initially at fair value and subsequently measured at amortised cost less impairment. At each reporting date, the Funds shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

## 2 Summary of significant accounting policies (continued)

### (f) Financial instruments

*(i) Classification*

The Funds' investments are classified at fair value through profit or loss upon initial recognition. These include investments in listed equity securities.

*(ii) Recognition/derecognition*

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Funds have transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligations under the liabilities are discharged.

*(iii) Measurement*

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statements of profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of profit or loss and other comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is subsequently measured based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market prices used for financial assets and liabilities held by the Funds are the last traded prices.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Funds recognise the difference in the Statements of profit or loss and other comprehensive income to reflect a change in factors, including time that market participants would consider in setting a price.

Further details on how the fair values of financial instruments are determined are disclosed in note 3(e).

*(iv) 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.

### (g) Applications and redemptions

Applications received for units in the Funds are recorded net of any buy spread, payable upon application for units in the Funds. Redemptions from the Funds are recorded gross of any sell spread payable upon redemption of units.

## 2 Summary of significant accounting policies (continued)

### (h) Distributions

In accordance with the Funds' Constitutions, the Funds distribute income adjusted for amounts determined by the Responsible Entity to unitholders by cash or through reinvestment. The Funds distributions are classified as distributions paid/payable in the Statements of changes in equity.

### (i) Payables

Payables are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Funds, and include outstanding settlements on the purchase of investments. Amounts are generally paid within 30 days of being recorded as payables.

### (j) Net assets attributable to unitholders

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

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

The Funds' units are classified as equity as they satisfied all the above criteria.

### (k) Investment income

Interest income is recognised in the Statements of profit or loss and other comprehensive income using the accruals method. Dividend income is recognised on the ex dividend date with any related withholding tax recorded as an expense.

Trust distributions are recognised on an entitlement basis.

Changes in fair value of financial instruments are recorded in accordance with the policies described in note 2(f) to the financial reports.

### (l) Expenses

All expenses, including management fees, performance fees, administration fees and custodian fees, are recognised in the Statement of profit or loss and other comprehensive income on an accruals basis.

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

Income not distributed is included in net assets attributable to unitholders. The Funds' distributions are classified as distributions paid/payable in the Statements of changes in equity.

## 2 Summary of significant accounting policies (continued)

### (n) Income tax

The Funds have elected into the Attribution Managed Investment Trusts rules, such that the determined trust components of the Funds will be taxable in the hands of the beneficiaries (the unitholders) on an attribution basis.

Accordingly, deferred taxes have not been recognised in the financial reports in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains/losses which could arise in the event of a sale of investments for the amount at which they are stated in the financial reports.

Realised capital losses are not attributed to unitholders but instead are retained within the Funds to be offset against realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial reports. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income attributed to unitholders as noted above.

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

The GST incurred on the costs of various services provided to the Funds by third parties such as investment management fees and custodial services has been passed on to the Funds. The Funds qualify for Reduced Input Tax Credits ("RITC") at a rate of at least 55%; hence investment management fees, custodial fees and other expenses have been recognised in the Statements of profit or loss and other comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Payables 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.

### (p) Foreign currency translation

*(i) Functional and presentation currency*

Balances included in the Funds' financial reports are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar ("AUD") which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian dollar is also the Funds' 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.

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

### (q) Use of estimates

From time to time the Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the current and 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. As at 30 June 2023 there are no material estimates (30 June 2022: Nil).

### (r) Rounding of amounts

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial reports. Amounts in the financial reports have been rounded off to the nearest thousand Australian dollar (AUD) in accordance with that Instrument, unless otherwise indicated.

## 3 Financial risk management

The Funds are exposed to credit risk, liquidity risk and market risk (including price risk, foreign exchange risk and interest rate risk) arising from the financial instruments they hold. The Responsible Entity has outsourced the managing of these risks to the Investment Manager who does so through a process of ongoing identification, measurement and monitoring.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Constitutions and PDSs. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity securities is limited to the fair value of those positions.

Risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds from reasonably foreseeable changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Funds, as well as the level of risk that the Responsible Entity is willing to accept.

This information is prepared and regularly reported to relevant parties within the Responsible Entity.

As part of their risk management strategy, the Funds may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Funds monitor their exposure to ensure concentrations of risk remain within acceptable levels and either reduce exposure or use derivative instruments to manage the excessive risk concentrations when they arise.

### (a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchanges and equity prices. The Funds' investment activities are undertaken in accordance with established mandate limits and investment strategies.

*(i) Price risk*

The Funds are exposed to equity securities price risk. This arises from investments held by the Funds for which prices in the future are uncertain. These investments are classified in the Statements of financial position at fair value through profit or loss. The fair value of the investments represents the Funds' maximum price risk.

The table at note 3(b) summarises the sensitivity of the Funds' assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Funds invest move by +/-10% (2022: +/-10%).

*(ii) Foreign exchange risk*

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

Any non-AUD denominated investments are translated using the spot rate at balance sheet date. Non-AUD denominated income is translated at the prevailing spot rate on the date of receipt.

## 3 Financial risk management (continued)

### (a) Market risk (continued)

*(ii) Foreign exchange risk (continued)*

The table below summarises the fair value of the Funds' monetary financial assets and liabilities, which are denominated in all currencies.

**4D Emerging Markets Infrastructure Fund**

| **30 June 2023** | **Australian Dollars A$'000** | **Brazil Real A$'000** | **Hong Kong Dollar A$'000** | **Mexican Peso A$'000** | **Other currencies A$'000** | **Total A$'000** |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | **153** | **12** | **14** | **–** | **–** | **179** |
| Receivables | **5** | **58** | **74** | **–** | **–** | **137** |
| Due from brokers - receivables for securities sold | **14** | **–** | **–** | **–** | **–** | **14** |
| Financial assets at fair value through profit or loss | **–** | **4,329** | **3,526** | **1,568** | **1,198** | **10,621** |
| Distributions payable | **(327)** | **–** | **–** | **–** | **–** | **(327)** |
| Due to brokers - payable for securities purchased | **–** | **–** | **(14)** | **–** | **–** | **(14)** |
| Payables | **(44)** | **–** | **–** | **–** | **–** | **(44)** |
| | **(199)** | **4,399** | **3,600** | **1,568** | **1,198** | **10,566** |

| 30 June 2022 | Australian Dollars A$'000 | Brazil Real A$'000 | Hong Kong Dollar A$'000 | Mexican Peso A$'000 | Other currencies A$'000 | Total A$'000 |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 92 | 27 | 11 | – | – | 130 |
| Receivables | 2 | 57 | 52 | – | – | 111 |
| Financial assets at fair value through profit or loss | – | 2,155 | 2,587 | 1,060 | 562 | 6,364 |
| Distributions payable | (323) | – | – | – | – | (323) |
| Payables | (13) | – | – | – | – | (13) |
| | (242) | 2,239 | 2,650 | 1,060 | 562 | 6,269 |

## 3 Financial risk management (continued)

### (a) Market risk (continued)

*(ii) Foreign exchange risk (continued)*

**4D Global Infrastructure Fund (Unhedged)**

| **30 June 2023** | **Australian Dollars A$'000** | **US Dollars A$'000** | **Euro A$'000** | **Other currencies A$'000** | **Total A$'000** |
|---|---|---|---|---|---|
| Cash and cash equivalents | **9,904** | **–** | **–** | **–** | **9,904** |
| Receivables | **325** | **43** | **5** | **1,249** | **1,622** |
| Financial assets at fair value through profit or loss | **4,497** | **58,830** | **101,699** | **114,930** | **279,956** |
| Distributions payable | **(1,988)** | **–** | **–** | **–** | **(1,988)** |
| Payables | **(2,455)** | **–** | **–** | **–** | **(2,455)** |
| | **10,283** | **58,873** | **101,704** | **116,179** | **287,039** |

| 30 June 2022 | Australian Dollars A$'000 | US Dollars A$'000 | Euro A$'000 | Other currencies A$'000 | Total A$'000 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 12,932 | 99 | – | – | 13,031 |
| Receivables | 923 | – | 5 | 1,156 | 2,084 |
| Financial assets at fair value through profit or loss | 5,585 | 75,715 | 135,254 | 134,041 | 350,595 |
| Distributions payable | (17,492) | – | – | – | (17,492) |
| Payables | (2,438) | – | – | – | (2,438) |
| | (490) | 75,814 | 135,259 | 135,197 | 345,780 |

*(iii) Interest rate risk*

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rates. Interest rate risk is not considered to be significant.

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

The tables below detail the Funds' exposure to interest rates into the relevant categories at the reporting date. The table at note 3(b) summarises the Funds' sensitivity to interest rate risk.

## 3 Financial risk management (continued)

### (a) Market risk (continued)

*(iii) Interest rate risk (continued)*

| **4D Emerging Markets Infrastructure Fund** | **Floating interest rate** | **Fixed interest rate** | **Non-interest bearing** | **Total** | Floating interest rate | Fixed interest rate | Non-interest bearing | Total |
|---|---|---|---|---|---|---|---|---|
| | **30 June 2023 $'000** | **30 June 2023 $'000** | **30 June 2023 $'000** | **30 June 2023 $'000** | 30 June 2022 $'000 | 30 June 2022 $'000 | 30 June 2022 $'000 | 30 June 2022 $'000 |
| **Assets** | | | | | | | | |
| Cash and cash equivalents | **179** | **–** | **–** | **179** | 130 | – | – | 130 |
| Receivables | **–** | **–** | **137** | **137** | – | – | 111 | 111 |
| Due from brokers - receivables for securities sold | **–** | **–** | **14** | **14** | – | – | – | – |
| Financial assets at fair value through profit or loss | **–** | **–** | **10,621** | **10,621** | – | – | 6,364 | 6,364 |
| **Total assets** | **179** | **–** | **10,772** | **10,951** | 130 | – | 6,475 | 6,605 |
| **Liabilities** | | | | | | | | |
| Distributions payable | **–** | **–** | **327** | **327** | – | – | 323 | 323 |
| Due to brokers - payable for securities purchased | **–** | **–** | **14** | **14** | – | – | – | – |
| Payables | **–** | **–** | **44** | **44** | – | – | 13 | 13 |
| **Total liabilities** | **–** | **–** | **385** | **385** | – | – | 336 | 336 |
| **Net exposure** | **179** | **–** | **10,387** | **10,566** | 130 | – | 6,139 | 6,269 |

| **4D Global Infrastructure Fund (Unhedged)** | **Floating interest rate** | **Fixed interest rate** | **Non-interest bearing** | **Total** | Floating interest rate | Fixed interest rate | Non-interest bearing | Total |
|---|---|---|---|---|---|---|---|---|
| | **30 June 2023 $'000** | **30 June 2023 $'000** | **30 June 2023 $'000** | **30 June 2023 $'000** | 30 June 2022 $'000 | 30 June 2022 $'000 | 30 June 2022 $'000 | 30 June 2022 $'000 |
| **Assets** | | | | | | | | |
| Cash and cash equivalents | **9,904** | **–** | **–** | **9,904** | 13,031 | – | – | 13,031 |
| Receivables | **–** | **–** | **1,622** | **1,622** | – | – | 2,084 | 2,084 |
| Financial assets at fair value through profit or loss | **–** | **–** | **279,956** | **279,956** | – | – | 350,595 | 350,595 |
| **Total assets** | **9,904** | **–** | **281,578** | **291,482** | 13,031 | – | 352,679 | 365,710 |
| **Liabilities** | | | | | | | | |
| Distributions payable | **–** | **–** | **1,988** | **1,988** | – | – | 17,492 | 17,492 |
| Payables | **–** | **–** | **2,455** | **2,455** | – | – | 2,438 | 2,438 |
| **Total liabilities** | **–** | **–** | **4,443** | **4,443** | – | – | 19,930 | 19,930 |
| **Net exposure** | **9,904** | **–** | **277,135** | **287,039** | 13,031 | – | 332,749 | 345,780 |

## 3 Financial risk management (continued)

### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds' operating profit and net assets attributable to unitholders to price, interest rate risk and foreign exchange risk. The possible movements in the risk variables have been determined based on the Responsible Entity's best estimates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables should not be used to predict future variations in risk variables. The price risk variables relate to a weighted average percentage movement in the price of equities owned at 30 June 2023. The interest rate risk variables relate to a weighted average percentage movement in cash and cash equivalents at 30 June 2023. The foreign exchange risk analysis is based on the unfavourable movement in the Australian dollar by -/+10% against the material foreign currencies to which the Funds are exposed as at 30 June 2023.

| | Price Risk | | Interest rate risk | | Foreign exchange risk | |
|---|---|---|---|---|---|---|
| **4D Emerging Markets Infrastructure Fund** | **30 June 2023 -10% $'000** | **30 June 2023 +10% $'000** | **30 June 2023 -1% $'000** | **30 June 2023 +1% $'000** | **30 June 2023 -10% $'000** | **30 June 2023 +10% $'000** |
| **Impact on operating profit/net assets attributable to unitholders** | **(1,062)** | **1,062** | **(2)** | **2** | **(979)** | **1,196** |
| Impact on operating profit/net assets attributable to unitholders | (636) | 636 | (1) | 1 | (591) | 722 |

## 3 Financial risk management (continued)

### (b) Summarised sensitivity analysis (continued)

| | Price Risk | | Interest rate risk | | Foreign exchange risk | |
|---|---|---|---|---|---|---|
| **4D Global Infrastructure Fund (Unhedged)** | **30 June 2023 -10% $'000** | **30 June 2023 +10% $'000** | **30 June 2023 -1% $'000** | **30 June 2023 +1% $'000** | **30 June 2023 -10% $'000** | **30 June 2023 +10% $'000** |
| **Impact on operating profit/net assets attributable to unitholders** | **(27,996)** | **27,996** | **(99)** | **99** | **(25,160)** | **30,751** |
| Impact on operating profit/net assets attributable to unitholders | (35,059) | 35,059 | (130) | 130 | (31,479) | 38,474 |

### (c) Credit risk

Credit (or counterparty) risk is the risk that one party to a financial instrument will fail to perform its contractual obligations and cause the Funds to incur a financial loss.

The Funds' maximum credit risk exposure at reporting date in relation to each class of recognised financial asset, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in 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.

In relation to equity and derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with counterparties on recognised exchanges or, where applicable, ensuring that transactions are undertaken with a large number of counterparties.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

The Funds do not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Funds are exposed, arises from cash and cash equivalents, receivables and amounts due from brokers balances.

There are no financial assets that are past due or impaired.

## 3 Financial risk management (continued)

### (d) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting their obligations associated with financial assets and liabilities. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount or timing.

These risks are controlled through the Funds' investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Funds maintain sufficient cash and cash equivalents to meet normal operating requirements.

Financial liabilities of the Funds comprise trade and other payables, distributions payable, derivative instruments and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days of the obligation arising. Payment obligations in respect of derivative financial instruments arise and are met pursuant to their terms of issue.

The table below details the Funds' financial liabilities into the relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date.

**4D Emerging Markets Infrastructure Fund**

| | **Less than 1 month** | **1-6 months** | **6-12 months** | **Over 12 months** | **Total** | Less than 1 month | 1-6 months | 6-12 months | Over 12 months | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 | $'000 | $'000 |
| Distributions payable | **327** | **–** | **–** | **–** | **327** | 323 | – | – | – | 323 |
| Due to brokers - payable for securities purchased | **14** | **–** | **–** | **–** | **14** | – | – | – | – | – |
| Payables | **44** | **–** | **–** | **–** | **44** | 13 | – | – | – | 13 |
| | **385** | **–** | **–** | **–** | **385** | 336 | – | – | – | 336 |

**4D Global Infrastructure Fund (Unhedged)**

| | **Less than 1 month** | **1-6 months** | **6-12 months** | **Over 12 months** | **Total** | Less than 1 month | 1-6 months | 6-12 months | Over 12 months | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 | $'000 | $'000 |
| Distributions payable | **1,988** | **–** | **–** | **–** | **1,988** | 17,492 | – | – | – | 17,492 |
| Payables | **2,455** | **–** | **–** | **–** | **2,455** | 2,438 | – | – | – | 2,438 |
| | **4,443** | **–** | **–** | **–** | **4,443** | 19,930 | – | – | – | 19,930 |

## 3 Financial risk management (continued)

### (e) Fair value estimation

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

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value including any transaction costs that are attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, all instruments 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 period without any deduction for estimated future selling costs.

For the majority of its investments, the Funds rely on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Funds is the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Funds hold derivatives with offsetting market risks, they use last traded prices as a basis for establishing fair values for the offsetting risk positions and apply this last traded 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.

*(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 period applicable for an instrument with similar terms and conditions.

### (f) Fair value hierarchy

AASB 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 3 Financial risk management (continued)

### (f) Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2023 and 30 June 2022

| **4D Emerging Markets Infrastructure Fund** | **Level 1** | **Level 2** | **Level 3** | **Total** | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|---|---|
| | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 |
| **Financial assets** | **$'000** | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 | $'000 |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Listed equity securities | **10,621** | **–** | **–** | **10,621** | 6,364 | – | – | 6,364 |
| **Total** | **10,621** | **–** | **–** | **10,621** | 6,364 | – | **–** | 6,364 |

There are no financial liabilities as at 30 June 2023. (30 June 2022: $35 level 2 financial liability relating to forward currency contract have not been reflected in the above table due to financial statements rounded to thousand dollars.)

| **4D Global Infrastructure Fund (Unhedged)** | **Level 1** | **Level 2** | **Level 3** | **Total** | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|---|---|
| | **30 June 2023** | **30 June 2023** | **30 June 2023** | **30 June 2023** | 30 June 2022 | 30 June 2022 | 30 June 2022 | 30 June 2022 |
| **Financial assets** | **$'000** | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 | $'000 |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Listed equity securities | **279,956** | **–** | **–** | **279,956** | 350,595 | – | – | 350,595 |
| **Total** | **279,956** | **–** | **–** | **279,956** | 350,595 | – | **–** | 350,595 |

There are no financial liabilities as at 30 June 2023 (30 June 2022: Nil).

## 4 Auditor's remuneration

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

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$** | $ | **$** | $ |
| **Audit Services** | | | | |
| **Deloitte Touche Tohmatsu** | | | | |
| Audit of the financial reports of the Funds* | **12,681** | 12,100 | **12,681** | 12,100 |
| Audit of the compliance plans of the Funds* | **4,527** | 4,320 | **4,527** | 4,320 |
| Review of the half-year financial reports of the Funds* | **–** | – | **6,225** | 5,940 |
| **Total remuneration for audit services** | **17,208** | 16,420 | **23,433** | 22,360 |

*These fees are paid by the Responsible Entity of the Funds. In certain circumstances, these amounts are charged by the Responsible Entity to the Funds.

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

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Financial instruments** | | | | |
| Net realised gains/(losses) on financial instruments at fair value through profit or loss | **90** | 629 | **6,577** | 16,496 |
| Net unrealised gains/(losses) on financial instruments at fair value through profit or loss | **1,382** | (300) | **24,936** | (18,755) |
| **Total net gains/(losses) on financial instruments at fair value through profit or loss** | **1,472** | 329 | **31,513** | (2,259) |

## 6 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 Funds classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The movement in the number of units and net assets attributable to unitholders during the year was as follows:

| | **4D Emerging Markets Infrastructure Fund** | | | | **4D Global Infrastructure Fund (Unhedged)** | | | |
|---|---|---|---|---|---|---|---|---|
| | **30 June 2023 Units'000** | 30 June 2022 Units'000 | **30 June 2023 $'000** | 30 June 2022 $'000 | **30 June 2023 Units'000** | 30 June 2022 Units'000 | **30 June 2023 $'000** | 30 June 2022 $'000 |
| Balance as at 1 July | **6,280** | 10,895 | **6,269** | 10,946 | **237,707** | 162,054 | **345,780** | 246,391 |
| Applications | **4,243** | 3,279 | **4,329** | 3,263 | **65,487** | 103,264 | **98,641** | 160,845 |
| Redemptions | **(1,396)** | (7,977) | **(1,467)** | (8,353) | **(129,390)** | (29,044) | **(189,343)** | (45,172) |
| Units issued upon reinvestment of distributions | **58** | 83 | **67** | 83 | **411** | 1,433 | **628** | 2,104 |
| Distributions paid and payable | **–** | – | **(395)** | (406) | **–** | – | **(5,314)** | (22,355) |
| Profit/(loss) for the year | **–** | – | **1,763** | 736 | **–** | – | **36,647** | 3,967 |
| **Closing balance as at 30 June** | **9,185** | 6,280 | **10,566** | 6,269 | **174,215** | 237,707 | **287,039** | 345,780 |

As stipulated within the Funds' Constitutions, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. Each unit has the same rights attaching to it as all other units of the Funds.

**Capital risk management**

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

Applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Investment Manager. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 7 Distributions to unitholders

The distributions for the year were as follows:

| | 4D Emerging Markets Infrastructure Fund | | | | 4D Global Infrastructure Fund (Unhedged) | | | |
|---|---|---|---|---|---|---|---|---|
| | Year ended | | | | Year ended | | | |
| | **30 June 2023 $'000** | **30 June 2023 CPU** | 30 June 2022 $'000 | 30 June 2022 CPU | **30 June 2023 $'000** | **30 June 2023 CPU** | 30 June 2022 $'000 | 30 June 2022 CPU |
| **Distributions** | | | | | | | | |
| Distributions - September | **–** | **–** | – | – | **1,528** | **0.7793** | 649 | 0.3483 |
| Distributions - December | **–** | **–** | – | – | **744** | **0.4447** | 858 | 0.4018 |
| Distributions - March | **–** | **–** | – | – | **776** | **0.4467** | 1,555 | 0.6829 |
| Distributions - June | **395** | **4.3211** | 406 | 6.5612 | **2,266** | **1.3019** | 19,293 | 8.1588 |
| | **395** | | 406 | | **5,314** | | 22,355 | |

## 8 Cash and cash equivalents

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | As at | | As at | |
| | **30 June 2023 $'000** | 30 June 2022 $'000 | **30 June 2023 $'000** | 30 June 2022 $'000 |
| Cash at bank | **179** | 130 | **9,904** | 13,031 |
| These accounts are bearing floating interest rate | **0.76%-4.02%** | 0.00%-0.76% | **0.76%-4.02%** | 0.00%-0.76% |

**Reconciliation to cash flow statement**

The above figures reconcile to the amount of cash shown in the Statements of cash flows at the end of the year as follows:

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | As at | | As at | |
| | **30 June 2023 $'000** | 30 June 2022 $'000 | **30 June 2023 $'000** | 30 June 2022 $'000 |
| Balance as above | **179** | 130 | **9,904** | 13,031 |
| Balance per Statements of cash flows | **179** | 130 | **9,904** | 13,031 |

## 9 Financial assets at fair value through profit or loss

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | As at | | As at | |
| | **30 June 2023 $'000** | 30 June 2022 $'000 | **30 June 2023 $'000** | 30 June 2022 $'000 |
| **Financial assets at fair value through profit or loss** | | | | |
| Listed equity securities | **10,621** | 6,364 | **279,956** | 350,595 |
| **Total financial assets at fair value through profit or loss** | **10,621** | 6,364 | **279,956** | 350,595 |

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

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

There are no financial liabilities as at 30 June 2023. (30 June 2022: 4D Emerging Markets Infrastructure Fund had $35 financial liability relating to forward currency contract.)

## 11 Derivative financial instruments

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 Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

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

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 Funds.

## 11 Derivative financial instruments (continued)

The Funds hold the following derivative instrument:

**Forward currency contracts**

Foreign currency contracts are primarily used by the Funds to hedge against foreign currency exchange rate risks on their non-Australian dollar denominated trading securities. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

**4D Emerging Markets Infrastructure Fund**

There was no derivative financial instrument as at 30 June 2023. (30 June 2022: $35 of financial liability relating to forward currency contract have not been reflected in the below table due to financial statements rounded to thousand dollars.)

| 30 June 2022 | Contract/notional $'000 | Assets $'000 | Liabilities $'000 |
|---|---|---|---|
| Forward currency contracts | 12 | – | – |

**4D Global Infrastructure Fund (Unhedged)**

There was no derivative financial instrument as at 30 June 2023 (2022: Nil).

**Risk exposures and fair value measurements**

Information about the Funds' exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 to the financial reports. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instrument disclosed above.

## 12 Receivables

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | As at | | As at | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Dividends/distributions receivable | **132** | 109 | **1,367** | 1,262 |
| RITC receivable | **2** | 2 | **50** | 66 |
| Applications receivable | **3** | – | **205** | 756 |
| **Total** | **137** | 111 | **1,622** | 2,084 |

## 13 Payables

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | As at | | As at | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Management fees payable | **10** | 6 | **221** | 287 |
| Other operating expenses payable | **1** | 1 | **12** | 15 |
| Redemptions payable | **33** | 6 | **2,222** | 2,136 |
| **Total** | **44** | 13 | **2,455** | 2,438 |

## 14 Related party transactions

**Responsible Entity**

The Responsible Entity of the Funds is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806). Accordingly, transactions with entities related to Bennelong Funds Management Ltd are disclosed below.

**Key management personnel**

Key management personnel includes persons who were directors of Bennelong Funds Management Ltd at any time during the financial year or since the end of the year up to the date of this report:

Directors:

| | |
|---|---|
| Michael Dwyer | Chairman |
| Craig Bingham | (Resigned 17 February 2023) |
| John Burke | (Appointed 27 March 2023) |
| Vicki Allen | |
| Lincoln McMahon | |
| Adam Tindall | |
| Andrea Waters | |

Other key management personnel:

| | |
|---|---|
| Jeff Phillips | Company Secretary |

**Key management personnel compensation**

Key management personnel are paid by the parent company of the Responsible Entity. Payments made from the Funds to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

**Key management personnel loan disclosures**

The Funds 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.

**Other transactions within the Funds**

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

**Responsible Entity's/manager's fees and other transactions**

Under the terms of the Funds' Constitutions and the current PDSs for the Funds, the Responsible Entity is entitled to receive fees.

## 14 Related party transactions (continued)

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the year and amounts at year end between the Funds and the Responsible Entity were as follows:

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$** | $ | **$** | $ |
| Management fees for the year | **102,595** | 121,263 | **2,603,153** | 3,052,582 |
| Aggregate amounts payable to the Responsible Entity at the reporting date | **10,100** | 6,290 | **221,487** | 286,882 |

**Key management personnel unitholdings**

Key personnel and parties related to the Funds during the year, including the Responsible Entity, its associates and other schemes managed by Bennelong Funds Management Ltd, held the following units in the Funds at the end of the year:

**4D Emerging Markets Infrastructure Fund**

| | Number of units held closing | Interest held | Number of units acquired during the year | Number of units disposed during the year | Distributions paid/payable by the Fund during the year |
|---|---|---|---|---|---|
| **30 June 2023** | **Units** | **%** | **Units** | **Units** | **$** |
| **Unitholders** | | | | | |
| Mr Gregory Goodsell ATF Gregory Goodsell Personal Super Fund | **61,081** | **0.67** | **2,545** | **–** | **2,544** |
| Sarah Shaw Proprietary Limited ATF Sarah Shaw Superannuation Fund | **149,948** | **1.64** | **16,226** | **–** | **6,245** |
| 30 June 2022 | | | | | |
| Unitholders | | | | | |
| Mr Gregory Goodsell ATF Gregory Goodsell Personal Super Fund | 58,536 | 0.94 | 3,921 | – | 3,604 |
| Sarah Shaw Proprietary Limited ATF Sarah Shaw Superannuation Fund | 133,722 | 2.16 | 8,956 | – | 8,233 |

## 14 Related party transactions (continued)

**Key management personnel unitholdings (continued)**

**4D Global Infrastructure Fund (Unhedged)**

| **30 June 2023**<br>**Unitholders** | **Number of units held closing Units** | **Interest held %** | **Number of units acquired during the year Units** | **Number of units disposed during the year Units** | **Distributions paid/payable by the Fund during the year $** |
|---|---|---|---|---|---|
| Miss Sarah Shaw | **61,840** | **0.04** | **1,474** | **–** | **1,813** |
| Mr Gregory Goodsell ATF Gregory Goodsell Personal Super Fund | **61,840** | **0.04** | **1,474** | **–** | **1,813** |
| Sarah Shaw Proprietary Limited ATF Sarah Shaw Superannuation Fund | **59,988** | **0.03** | **1,430** | **–** | **1,759** |
| Mr Tasneef Rahman | **55,644** | **0.03** | **10,166** | **–** | **1,563** |
| Mr Lincoln Mcmahon | **56,841** | **0.03** | **–** | **–** | **1,690** |

4D Global Infrastructure Fund (Unhedged)

| 30 June 2022<br>Unitholders | Number of units held closing Units | Interest held % | Number of units acquired during the year Units | Number of units disposed during the year Units | Distributions paid/payable by the Fund during the year $ |
|---|---|---|---|---|---|
| Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund* | 154,059 | 0.07 | – | – | 14,777 |
| Miss Sarah Shaw | 60,366 | 0.03 | 3,994 | – | 5,476 |
| Mr Gregory Goodsell ATF Gregory Goodsell Personal Super Fund | 60,366 | 0.03 | 3,994 | – | 5,476 |
| Sarah Shaw Proprietary Limited ATF Sarah Shaw Superannuation Fund | 58,558 | 0.02 | 3,873 | – | 5,312 |
| Mr Tasneef Rahman | 45,478 | 0.02 | 3,009 | – | 4,125 |
| Mr Lincoln Mcmahon | 56,841 | 0.02 | – | – | 5,452 |
| Eagle Park Pty Ltd ATF Bingham Superannuation Fund* | 34,518 | 0.01 | 2,132 | – | 3,132 |

* The beneficial owners of Eagle Park Pty Ltd ATF Bingham Superannuation Fund and Windward Capital Pty Ltd ATF S&L Rix Superannuation Fund were not a related party as at 30 June 2023.

**Investments**

The Funds did not hold any investments in Bennelong Funds Management Ltd or its related parties during the year (2022: Nil).

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

| | 4D Emerging Markets Infrastructure Fund | | 4D Global Infrastructure Fund (Unhedged) | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities** | | | | |
| Operating profit/(loss) for the year | **1,763** | 736 | **36,647** | 3,967 |
| Proceeds from sale of financial instruments at fair value through profit or loss | **1,438** | 7,728 | **190,095** | 55,028 |
| Purchase of financial instruments at fair value through profit or loss | **(4,225)** | (2,734) | **(87,468)** | (167,941) |
| Net change in dividends/distributions receivable | **(23)** | (43) | **(105)** | (956) |
| Net (gains)/losses on financial instruments at fair value through profit or loss | **(1,472)** | (329) | **(31,513)** | 2,259 |
| Net (gains)/losses on foreign exchange | **2** | (1) | **(475)** | (30) |
| Net change in receivables excluding applications | **–** | – | **16** | (25) |
| Net change in payables excluding redemptions | **4** | (4) | **(69)** | 91 |
| **Net cash inflow/(outflow) from operating activities** | **(2,513)** | 5,353 | **107,128** | (107,607) |
| | | | | |
| **(b) Non-cash financing and investing activities** | | | | |
| During the year, the following distribution payments were satisfied by the issue of units in the Funds | **67** | 83 | **628** | 2,104 |

## 16 Events occurring after the reporting date

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

## 17 Contingent assets, liabilities and commitments

In accordance with the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (NAV) of the Funds.

As at 30 June 2023, the Responsible Entity has incurred the following reimbursable expenses in excess of the amount charged to the Funds:

| | As at **30 June 2023** | 30 June 2022 |
|---|---|---|
| **Funds** | **$** | $ |
| 4D Emerging Markets Infrastructure Fund | **418,101** | 362,345 |
| 4D Global Infrastructure Fund (Unhedged) | **621,195** | 612,535 |

These amounts represent expenses that have been incurred by the Responsible Entity on behalf of the Funds, for which the Responsible Entity is entitled, but has deferred reimbursement. Payment of these amounts is contingent upon there being significant growth in the Funds' NAV, such that the payment will not result in expenses exceeding the amount set out in the Funds' PDSs at the date of payment, the timing of which cannot be reliably estimated at the reporting date.

The Responsible Entity is committed to treating unitholders fairly and will only request reimbursement of this amount in the event that the Fund's NAV is sufficient and if the payment does not have any significant adverse impact on unitholders.

The following table reflects the movements in deferred fund expenses for the year:

| | **4D Emerging Markets Infrastructure Fund** | | **4D Global Infrastructure Fund (Unhedged)** | |
|---|---|---|---|---|
| | **Year ended** | | **Year ended** | |
| | **30 June 2023** | 30 June 2022 | **30 June 2023** | 30 June 2022 |
| | **$** | $ | **$** | $ |
| Opening balance | **362,345** | 258,770 | **612,535** | 526,162 |
| New expenses incurred | **59,946** | 108,703 | **145,656** | 243,024 |
| Deferred expenses reimbursed during the year | **(4,190)** | (5,128) | **(136,996)** | (156,651) |
| Closing balance | **418,101** | 362,345 | **621,195** | 612,535 |

There were no other contingencies for the Funds at the reporting date.

**Directors' declaration**

The directors of the Responsible Entity declare in respect of the following Funds:

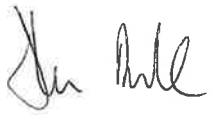
4D Emerging Markets Infrastructure Fund
4D Global Infrastructure Fund (Unhedged)

(a) in the directors' opinion, there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial reports are in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board interpretations and International Financial Reporting Standards as stated in Note 2 to the financial reports;

(c) in the directors' opinion, the attached financial reports and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Funds.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 295(5) of the *Corporations Act 2001.*



John Burke
Director
Melbourne
27 September 2023

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 3 9671 7000
Fax: +61 3 9671 7001
www.deloitte.com.au

# Independent Auditor's Report to the Unitholders of 4D Funds

## Opinion

We have audited the financial reports of 4D Emerging Markets Infrastructure Fund and 4D Global Infrastructure Fund (Unhedged) (collectively "4D Funds" or the "Funds") which comprises the statements of financial position as at 30 June 2023, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial reports of the Funds are in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Funds' financial position as at 30 June 2023 and of their financial performance for the year then ended; and
- 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 Reports section of our report. We are independent of the Funds in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Bennelong Funds Management Ltd (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

## Other Information

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

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

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

## Responsibilities of the Directors for the Financial Reports

The directors are responsible for the preparation of the financial reports 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 reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 these financial reports.

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

- Identify and assess the risks of material misstatement of the financial reports, 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 Funds' 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 Funds' 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 reports 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 Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represents the underlying transactions and events in a manner that achieves fair presentation.

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.



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants

Melbourne, 27 September 2023