

Investors Mutual Limited
Managed Investment Schemes
Financial reports for the year ended 30 June 2021

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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 Australian Share Fund
ARSN 093 182 695

Investors Mutual Equity Income Fund
ARSN 107 095 438

Investors Mutual Australian Smaller Companies Fund
ARSN 093 182 471

Investors Mutual All Industrials Share Fund
ARSN 093 182 195

Investors Mutual Future Leaders Fund
ARSN 093 182 828

Investors Mutual Small Cap Fund
ARSN 122 918 496

Investors Mutual Concentrated Australian Share Fund
ARSN 145 759 879

Investors Mutual Private Portfolio Fund
ARSN 624 888 035

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 Australian Share Fund	Australian Share Fund	1 July 2020 to 30 June 2021
Investors Mutual Equity Income Fund	Equity Income Fund	1 July 2020 to 30 June 2021
Investors Mutual Australian Smaller Companies Fund	Smaller Companies Fund	1 July 2020 to 30 June 2021
Investors Mutual All Industrials Share Fund	All Industrials Share Fund	1 July 2020 to 30 June 2021
Investors Mutual Future Leaders Fund	Future Leaders Fund	1 July 2020 to 30 June 2021
Investors Mutual Small Cap Fund	Small Cap Fund	1 July 2020 to 30 June 2021
Investors Mutual Concentrated Australian Share Fund	Concentrated Australian Share Fund	1 July 2020 to 30 June 2021
Investors Mutual Private Portfolio Fund	Private Portfolio Fund	1 July 2020 to 30 June 2021

present their report together with the financial reports of the Schemes for the year ended 30 June 2021 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
Beverly Bearden (resigned 31 December 2020)
James Orfanos (appointed 21 January 2021)
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		Equity Income Fund		Smaller Companies Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Operating profit/(loss) for the financial year	42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)
Distributions								
Distributions paid and payable	2,687	10,455	97,591	149,684	33,827	55,468	12,128	7,596
Distributions (cents per unit)	2.12	7.26	15.87	18.82	5.15	6.83	14.22	7.87

Directors' report (continued)

Review and results of operations (continued)

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Operating profit/(loss) for the financial year	29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)
Distributions								
Distributions paid and payable	3,004	4,786	7,560	20,261	627	585	493	2,478
Distributions (cents per unit)	2.26	4.65	1.69	3.83	2.67	5.33	2.03	3.78

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The resulting global travel restrictions, increased lockdowns in certain countries and restrictions on social gatherings are having an ongoing impact on business and economic activity both in Australia and overseas. The fair values of the Scheme's assets as at 30 June 2021 reflect the conditions known as at that date. The evolving COVID-19 health situation and its impact on investment markets are being closely monitored.

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 2021 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
17 September 2021



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 2021, 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

Darren Handley-Greaves
Partner
17 September 2021

Statements of comprehensive income

		All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Income									
Interest Income	3	10	108	—	955	70	1,190	11	173
Dividend and distribution income		5,161	8,363	54,076	93,706	16,531	28,747	3,786	6,745
Net gains/(losses) in the fair value of investments		39,656	(42,817)	324,788	(328,531)	87,784	(153,665)	40,278	(22,728)
Other operating income		4	3	49	3	127	6	60	17
Total investment income		44,831	(34,343)	378,913	(233,867)	104,612	(123,722)	44,135	(15,793)
Expenses									
Responsible Entity's fees	10	1,826	2,212	18,292	24,844	5,353	7,533	1,493	1,583
Transaction costs		165	232	1,474	1,904	756	1,082	320	200
Other operating expenses		61	65	626	747	179	241	49	48
Total operating expenses		2,052	2,509	20,392	27,495	6,388	8,856	1,862	1,831
Operating profit/(loss) for the financial year		42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)
Total comprehensive income for the financial year	4	42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)

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

Statements of comprehensive income

		Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Income									
Interest Income	3	15	213	27	341	–	39	2	77
Dividend and distribution income		4,628	5,370	11,600	23,308	519	367	827	3,389
Net gains/(losses) in the fair value of investments		26,852	(20,373)	117,767	(99,334)	2,350	(506)	10,457	(14,470)
Other operating income		24	1	210	58	48	2	16	8
Net gains/(losses) on foreign exchange		–	–	–	–	–	–	–	(8)
Total investment income		31,524	(14,789)	129,604	(75,627)	2,924	(98)	11,302	(11,004)
Expenses									
Interest Expenses		–	–	–	–	(2)	–	–	–
Responsible Entity's fees	10	1,924	1,748	4,513	5,252	174	103	393	879
Performance fees	10	–	–	–	–	171	–	–	–
Transaction costs		130	111	668	651	127	94	57	152
Short selling expenses		–	–	–	–	14	50	–	–
Other operating expenses		63	52	149	157	40	19	11	24
Total operating expenses		2,122	1,911	5,330	6,060	535	266	461	1,055
Operating profit/(loss) for the financial year		29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)
Total comprehensive income for the financial year	4	29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)

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

Statements of financial position

		All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
		As at		As at		As at		As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	6	6,759	19,998	44,133	112,898	85,522	109,658	14,288	16,764
Other receivables		38	47	358	484	102	149	34	35
Due from brokers – receivable for securities sold		1,612	206	7,661	752	518	369	745	1,053
Application receivable		32	24	390	968	459	504	11	9
Dividends/distributions receivable		601	369	3,119	2,911	1,520	1,330	199	217
Interest receivable		–	–	–	1	–	–	–	–
Financial assets at fair value through profit or loss	7	190,356	172,121	1,783,300	1,945,067	459,805	508,516	151,633	126,594
Total assets		199,398	192,765	1,838,961	2,063,081	547,926	620,526	166,910	144,672
Liabilities									
Distributions payable	5	1,114	4,611	76,653	97,665	6,662	14,183	10,754	2,715
Due to brokers - payable for securities purchased		1,639	1,169	708	65	115	3,236	1,721	825
Redemptions payable		128	167	2,256	2,165	1338	1,243	539	31
Other payables		162	178	1,506	1,914	444	564	133	135
Financial liabilities at fair value through profit or loss	8	5	116	26	1,254	3,582	8,599	–	–
Total liabilities		3,048	6,241	81,149	103,063	12,141	27,825	13,147	3,706
Net assets attributable to unitholders - equity	4	196,350	186,524	1,757,812	1,960,018	535,785	592,701	153,763	140,966

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

Statements of financial position

		Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
		As at		As at		As at		As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	6	19,521	34,076	18,852	47,724	8,877	4,863	1,546	1,432
Other receivables		42	39	101	114	4	5	10	12
Due from brokers – receivable for securities sold		–	–	1,714	1,559	484	343	759	413
Application receivable		122	63	206	179	–	–	–	–
Dividends/distributions receivable		193	130	611	472	65	19	53	69
Financial assets at fair value through profit or loss	7	198,657	137,629	470,022	405,967	16,624	6,692	34,897	31,059
Total assets		218,535	171,937	491,506	456,015	26,054	11,922	37,265	32,985
Liabilities									
Distributions payable	5	1,792	2,501	2,948	1,699	627	585	239	80
Due to brokers - payable for securities purchased		–	–	1,893	2,034	313	–	517	–
Redemptions payable		311	413	528	813	19	–	113	62
Other payables		178	159	400	429	244	28	35	40
Financial liabilities at fair value through profit or loss	8	–	–	–	–	1,111	1,286	–	–
Total liabilities		2,281	3,073	5,769	4,975	2,314	1,899	904	182
Net assets attributable to unitholders - equity	4	216,254	168,864	485,737	451,040	23,740	10,023	36,361	32,803

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		Equity Income Fund		Smaller Companies Fund	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		186,524	246,415	1,960,018	2,765,962	592,701	885,414	140,966	166,386
Comprehensive income for the year									
Profit/(loss) for the year		42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)
Other comprehensive income		—	—	—	—	—	—	—	—
Total comprehensive income		42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)
Transactions with unitholders									
Applications	4	12,166	22,893	195,249	349,605	120,309	195,681	20,784	31,109
Redemptions	4	(43,226)	(38,097)	(685,565)	(805,353)	(243,426)	(304,045)	(39,121)	(34,666)
Reinvestment of distributions	4	794	2,620	27,180	60,850	1,804	3,697	989	3,357
Distributions paid and payable	4, 5	(2,687)	(10,455)	(97,591)	(149,684)	(33,827)	(55,468)	(12,128)	(7,596)
Total transactions with unitholders		(32,953)	(23,039)	(560,727)	(544,582)	(155,140)	(160,135)	(29,476)	(7,796)
Total equity at the end of the financial year		196,350	186,524	1,757,812	1,960,018	535,785	592,701	153,763	140,966

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

Statements of changes in equity

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	168,864	163,245	451,040	588,460	10,023	9,980	32,803	97,680
Comprehensive income for the year								
Profit/(loss) for the year	29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)
Transactions with unitholders								
Applications	4 81,276	58,057	46,634	85,365	17,093	1,405	4,022	7,452
Redemptions	4 (60,657)	(31,601)	(129,181)	(124,815)	(5,143)	(416)	(10,830)	(61,320)
Reinvestment of distributions	4 373	649	530	3,978	5	3	18	3,528
Distributions paid and payable	4, 5 (3,004)	(4,786)	(7,560)	(20,261)	(627)	(585)	(493)	(2,478)
Total transactions with unitholders	17,988	22,319	(89,577)	(55,733)	11,328	407	(7,283)	(52,818)
Total equity at the end of the financial year	216,254	168,864	485,737	451,040	23,740	10,023	36,361	32,803

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		Equity Income Fund		Smaller Companies Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Proceeds from sale of investments	49,518	72,220	683,433	922,847	475,783	247,874	82,058	65,673
Cash paid from purchase of investments	(29,938)	(52,029)	(204,371)	(465,050)	(347,575)	(187,675)	(65,615)	(60,776)
Transaction cost paid	(165)	(232)	(1,474)	(1,904)	(756)	(1,082)	(320)	(200)
Dividend/distribution received	4,929	9,167	53,868	100,261	16,341	31,687	3,804	6,844
Interest received	10	109	–	960	70	1,196	11	184
Other income received	4	3	49	62	174	6	60	18
Responsible Entity's fee paid	(1,847)	(2,243)	(18,700)	(25,265)	(5,487)	(7,693)	(1,495)	(1,590)
Payment of other expenses	(47)	(65)	(500)	(747)	(165)	(201)	(48)	(49)
Net cash inflow from operating activities	22,464	26,930	512,305	531,164	138,385	84,112	18,455	10,104
Cash flows from financing activities								
Proceeds from applications by unitholders	12,952	22,893	195,826	349,774	120,354	196,238	20,782	31,128
Payments for redemptions by unitholders	(43,265)	(38,360)	(685,473)	(807,199)	(243,331)	(303,835)	(38,613)	(35,009)
Distributions paid	(5,390)	(18,998)	(91,423)	(156,455)	(39,544)	(57,949)	(3,100)	(11,934)
Net cash outflow from financing activities	(35,703)	(34,465)	(581,070)	(613,880)	(162,521)	(165,546)	(20,931)	(15,815)
Net increase/(decrease) in cash and cash equivalents	(13,239)	(7,535)	(68,765)	(82,716)	(24,136)	(81,434)	(2,476)	(5,711)
Cash and cash equivalents at the beginning of the year	19,998	27,533	112,898	195,614	109,658	191,092	16,764	22,475
Cash and cash equivalents at the end of the year	6,759	19,998	44,133	112,898	85,522	109,658	14,288	16,764

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

Statements of cash flows

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Proceeds from sale of investments	16,439	23,623	221,895	216,384	29,389	23,743	20,180	70,133
Cash paid from purchase of investments	(50,615)	(47,314)	(168,478)	(171,017)	(36,976)	(21,938)	(13,390)	(22,938)
Transaction cost paid	(130)	(111)	(668)	(651)	(127)	(94)	(57)	(152)
Dividend/distribution received	4,565	5,559	11,461	23,760	473	387	843	3,488
Interest received	15	214	27	343	—	48	2	84
Other income received	21	1	210	58	49	3	16	8
Responsible Entity's fee paid	(1,910)	(1,718)	(4,555)	(5,312)	(119)	(102)	(398)	(924)
Payment of other expenses	(58)	(59)	(124)	(157)	(38)	(19)	(9)	(24)
Cash paid from short selling	—	—	—	—	(28)	(32)	—	—
Performance fees paid	—	—	—	—	—	(18)	—	—
Net cash inflow/(outflow) from operating activities	14 (a) (31,673)	(19,805)	59,768	63,408	(7,377)	1,978	7,187	49,675
Cash flows from financing activities								
Proceeds from applications by unitholders	81,217	58,234	46,607	85,657	17,093	1,405	4,022	7,514
Payments for redemptions by unitholders	(60,759)	(31,315)	(129,466)	(125,045)	(5,124)	(416)	(10,779)	(61,321)
Distributions paid	(3,340)	(5,016)	(5,781)	(37,911)	(580)	(652)	(316)	(4,011)
Net cash inflow/(outflow) from financing activities	17,118	21,903	(88,640)	(77,299)	11,389	337	(7,073)	(57,818)
Net increase/(decrease) in cash and cash equivalents	(14,555)	2,098	(28,872)	(13,891)	4,012	2,315	114	(8,143)
Cash and cash equivalents at the beginning of the year	34,076	31,978	47,724	61,615	4,863	2,548	1,432	9,575
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 19,521	34,076	18,852	47,724	8,877	4,863	1,546	1,432

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
Australian Share Fund	29 June 1998	28 June 2078	1 July 2020 to 30 June 2021
Equity Income Fund	17 November 2003	16 November 2083	1 July 2020 to 30 June 2021
Smaller Companies Fund	29 June 1998	28 June 2078	1 July 2020 to 30 June 2021
All Industrials Share Fund	29 June 1998	28 June 2078	1 July 2020 to 30 June 2021
Future Leaders Fund	29 June 1998	28 June 2078	1 July 2020 to 30 June 2021
Small Cap Fund	28 November 2006	27 November 2086	1 July 2020 to 30 June 2021
Concentrated Australian Share Fund	11 August 2010	10 August 2090	1 July 2020 to 30 June 2021
Private Portfolio Fund	22 March 2018	21 March 2098	1 July 2020 to 30 June 2021

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 17 September 2021. 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 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 new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 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 on or after 1 July 2021, 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 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 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.

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.

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.

2 Summary of significant accounting policies (continued)

(f) Net assets attributable to unitholders (continued)

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 2021 and 30 June 2020, 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 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.

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.

2 Summary of significant accounting policies (continued)

(h) Investment income (continued)

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, performance fees and reimbursable expenses, are recognised in the statements of 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 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.

(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.

3 Summary of significant accounting policies (continued)

(m) Foreign currency translation (continued)

(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 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 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.

(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 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.

2 Summary of significant accounting policies (continued)

(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.

3 Interest income

	30 June 2021			30 June 2020		
	Average \$'000	Interest \$'000	Average %	Average \$'000	Interest \$'000	Average %
Australian Share Fund						
Cash and cash equivalents	38,479	–	–	151,378	955	0.63
		–			955	
Equity Income Fund						
Cash and cash equivalents	63,816	(149)	(0.23)	128,742	931	0.72
Floating rate notes	4,610	219	4.75	5,115	259	5.06
		70			1,190	
Smaller Companies Fund						
Cash and cash equivalents	11,836	11	0.09	19,729	121	0.61
Fixed Interest Securities	–	–	–		52	–
		11			173	
All Industrials Share Fund						
Cash and cash equivalents	10,974	10	0.08	18,703	108	0.58
		10			108	

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)

		30 June 2021			30 June 2020	
	Average \$'000	Interest \$'000	Average %	Average \$'000	Interest \$'000	Average %
Future Leaders Fund						
Cash and cash equivalents	28,109	27	0.10	55,966	341	0.61
		<u>27</u>			<u>341</u>	
Small Cap Fund						
Cash and cash equivalents	11,602	2	0.01	5,920	46	0.78
Fixed interest securities	–	–	–	257	31	12.06
		<u>2</u>			<u>77</u>	
Concentrated Australian Share Fund						
Cash and cash equivalents	32,548	15	0.05	34,775	213	0.61
		<u>15</u>			<u>213</u>	
Private Portfolio Fund						
Cash and cash equivalents	8,936	(9)	(0.10)	4,075	17	0.42
Floating rate notes	559	7	1.25	328	22	6.71
		<u>(2)</u>			<u>39</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 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	141,455	149,756	186,524	246,415
Applications	8,548	14,450	12,166	22,893
Redemptions	(29,911)	(24,352)	(43,226)	(38,097)
Units issued upon reinvestment of distributions	591	1,601	794	2,620
Distributions paid and payable	—	—	(2,687)	(10,455)
Total comprehensive income for the year	—	—	42,779	(36,852)
Closing balance	120,683	141,455	196,350	186,524

Australian Share Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	761,558	884,348	1,960,018	2,765,962
Applications	70,636	116,321	195,249	349,605
Redemptions	(246,849)	(258,540)	(685,565)	(805,353)
Units issued upon reinvestment of distributions	10,435	19,429	27,180	60,850
Distributions paid and payable	—	—	(97,591)	(149,684)
Total comprehensive income for the year	—	—	358,521	(261,362)
Closing balance	595,780	761,558	1,757,812	1,960,018

4 Net assets attributable to unitholders (continued)

Equity Income Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	754,429	872,977	592,701	885,414
Applications	144,132	193,298	120,309	195,681
Redemptions	(294,549)	(315,757)	(243,426)	(304,045)
Units issued upon reinvestment of distributions	2,271	3,911	1,804	3,697
Distributions paid and payable	—	—	(33,827)	(55,468)
Total comprehensive income for the year	—	—	98,224	(132,578)
Closing balance	606,283	754,429	535,785	592,701

Smaller Companies Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	94,558	95,705	140,966	166,386
Applications	12,037	18,790	20,784	31,109
Redemptions	(22,653)	(21,855)	(39,121)	(34,666)
Units issued upon reinvestment of distributions	630	1,918	989	3,357
Distributions paid and payable	—	—	(12,128)	(7,596)
Total comprehensive income for the year	—	—	42,273	(17,624)
Closing balance	84,572	94,558	153,763	140,966

4 Net assets attributable to unitholders (continued)

Concentrated Australian Share Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	104,114	89,382	168,864	163,245
Applications	47,213	32,013	81,276	58,057
Redemptions	(35,090)	(17,633)	(60,657)	(31,601)
Units issued upon reinvestment of distributions	227	352	373	649
Distributions paid and payable	—	—	(3,004)	(4,786)
Total comprehensive income for the year	—	—	29,402	(16,700)
Closing balance	116,464	104,114	216,254	168,864

Future Leaders Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	511,129	547,710	451,040	588,460
Applications	46,468	83,965	46,634	85,365
Redemptions	(128,794)	(124,263)	(129,181)	(124,815)
Units issued upon reinvestment of distributions	547	3,717	530	3,978
Distributions paid and payable	—	—	(7,560)	(20,261)
Total comprehensive income for the year	—	—	124,274	(81,687)
Closing balance	429,350	511,129	485,737	451,040

4 Net assets attributable to unitholders (continued)

Private Portfolio Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	10,974	10,050	10,023	9,980
Applications	17,524	1,403	17,093	1,405
Redemptions	(5,028)	(482)	(5,143)	(416)
Units issued upon reinvestment of distributions	6	3	5	3
Distributions paid and payable	—	—	(627)	(585)
Total comprehensive income for the year	—	—	2,389	(364)
Closing balance	23,476	10,974	23,740	10,023

Small Cap Fund	30 June 2021 No.('000)	30 June 2020 No.('000)	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	28,131	73,162	32,803	97,680
Applications	3,015	5,756	4,022	7,452
Redemptions	(7,899)	(53,409)	(10,830)	(61,320)
Units issued upon reinvestment of distributions	13	2,622	18	3,528
Distributions paid and payable	—	—	(493)	(2,478)
Total comprehensive income for the year	—	—	10,841	(12,059)
Closing balance	23,260	28,131	36,361	32,803

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.

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		Equity Income Fund		Smaller Companies Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Unrealised capital gains/(losses)	25,578	9,044	337,881	251,352	(68,856)	—	5,520	(9,679)
Realised capital (losses)	(687)	—	—	—	(25,720)	—	—	—

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Unrealised capital gains/(losses)	11,435	(9,736)	13,929	(44,576)	957	(137)	775	(5,859)
Realised capital (losses)	(5,748)	—	(1,882)	—	—	(717)	—	—

5 Distributions to unitholders

The distributions for the year were as follows:

All Industrials Share Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - December	1,573	1.20	5,844	4.00
Distributions payable - June	1,114	0.92	4,611	3.26
	2,687		10,455	

Australian Share Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - December	20,938	3.00	52,019	6.00
Distributions payable - June	76,653	12.87	97,665	12.82
	97,591		149,684	

Equity Income Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - September	9,893	1.40	15,376	1.75
Distributions paid - December	9,418	1.40	13,696	1.65
Distributions paid - March	7,854	1.25	12,213	1.55
Distributions payable - June	6,662	1.09	14,183	1.88
	33,827		55,468	

Smaller Companies Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - December	1,374	1.50	4,881	5.00
Distributions payable - June	10,754	12.72	2,715	2.87
	12,128		7,596	

5 Distributions to unitholders (continued)

Concentrated Australian Share Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - December	1,212	0.72	2,285	2.25
Distributions payable - June	1,792	1.54	2,501	2.40
	3,004		4,786	

Future Leaders Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - December	4,612	1.00	18,562	3.50
Distributions payable - June	2,948	0.69	1,699	0.33
	7,560		20,261	

Private Portfolio Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions payable - June	627	2.67	585	5.33
	627		585	

Small Cap Fund

	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions				
Distributions paid - June	254	1.00	2,398	3.50
Distributions payable - June	239	1.03	80	0.28
	493		2,478	

6 Cash and cash equivalents

	All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
	As at		As at		As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Cash and cash equivalents								
Cash at bank	6,308	19,375	40,797	108,185	51,536	52,247	14,266	16,742
Margin accounts*	451	623	3,336	4,713	33,986	57,411	22	22
	6,759	19,998	44,133	112,898	85,522	109,658	14,288	16,764

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	As at		As at		As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Cash and cash equivalents								
Cash at bank	16,837	31,379	18,715	47,659	6,395	3,007	1,539	1,425
Margin accounts*	2,684	2,697	137	65	2,482	1,856	7	7
	19,521	34,076	18,852	47,724	8,877	4,863	1,546	1,432

*These margin accounts are held by brokers.

7 Financial assets at fair value through profit or loss

	All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets at fair value through profit and loss								
Listed equities	183,001	163,568	1,723,221	1,847,988	414,179	462,770	137,648	116,228
Listed unit trust	7,355	8,529	59,799	96,674	40,387	40,511	13,985	10,366
Floating rate notes	—	—	—	—	5,239	5,197	—	—
Fixed interest securities	—	—	—	—	—	—	—	—
Futures	—	24	280	210	—	38	—	—
Options	—	—	—	195	—	—	—	—
Total financial assets at fair value through profit and loss	190,356	172,121	1,783,300	1,945,067	459,805	508,516	151,633	126,594

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial assets at fair value through profit and loss								
Listed equities	191,821	131,088	435,443	375,698	12,986	5,675	32,019	28,450
Listed unit trust	6,836	6,541	34,579	30,269	2,887	977	2,878	2,609
Floating rate notes	—	—	—	—	726	—	—	—
Fixed interest securities	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—
Options	—	—	—	—	25	40	—	—
Total financial assets at fair value through profit and loss	198,657	137,629	470,022	405,967	16,624	6,692	34,897	31,059

8 Financial liabilities at fair value through profit or loss

	All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial liabilities at fair value through profit and loss								
Listed unit trusts	-	-	-	-	-	-	-	-
Listed equities	-	-	-	-	-	-	-	-
Future	-	-	-	-	11	-	-	-
Options	5	116	26	1,254	3,571	8,599	-	-
Total financial liabilities at fair value through profit and loss	5	116	26	1,254	3,582	8,599	-	-

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Financial liabilities at fair value through profit and loss								
Listed unit trusts	-	-	-	-	142	420	-	-
Listed equities	-	-	-	-	388	509	-	-
Future	-	-	-	-	3	29	-	-
Options	-	-	-	-	578	328	-	-
Total financial liabilities at fair value through profit and loss	-	-	-	-	1,111	1,286	-	-

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)

		Australian Share Fund				Equity Income Fund				Smaller Companies Fund			
		30 June 2021		30 June 2020		30 June 2021		30 June 2020		30 June 2021		30 June 2020	
Futures Options	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	280	–	210	–	–	11	38	–	–	–	–	–	–
	–	26	195	1,254	–	3,571	–	8,599	–	–	–	–	–
	280	26	405	1,254	–	3,582	38	8,599	–	–	–	–	–
		All Industrials Share Fund				Future Leaders Fund				Small Cap Fund			
		30 June 2021		30 June 2020		30 June 2021		30 June 2020		30 June 2021		30 June 2020	
Futures Options	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	–	–	24	–	–	–	–	–	–	–	–	–	–
	–	5	–	116	–	–	–	–	–	–	–	–	–
	–	5	24	116	–	–	–	–	–	–	–	–	–
		Concentrated Australian Share Fund				Private Portfolio Fund							
		30 June 2021		30 June 2020		30 June 2021		30 June 2020					
Futures Options	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value				
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000					
	–	–	–	–	–	3	–	29					
	–	–	–	–	25	578	40	328					
	–	–	–	–	25	581	40	357					

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.

- Australian Share Fund
- Equity Income Fund
- Smaller Companies Fund
- All Industrials Share Fund
- Future leaders Fund
- Small Cap Fund
- Concentrated Australian Share Fund
- Private Portfolio 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
Beverly Bearden (resigned 31 December 2020)
James Orfanos (appointed 21 January 2021)
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 \$
Small Cap Fund						
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
2020						
Unitholder						
AKAT Investments ATF Tag Family Trust	979,437	979,437	3.48	–	–	37,055
Hotchpotch Investments P/L ATF Conn Family Super Fund	43,498	46,960	0.17	3,462	–	1,736
Total	1,022,935	1,026,397		3,462	–	38,791

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 \$
Concentrated Australian Share Fund						
2021						
Unitholder						
Cannae Birds Pty Limited	91,777	93,079	0.08	1,302	–	2,338
Total	91,777	93,079		1,302	–	2,338
2020						
Unitholder						
Cannae Birds Pty Limited	89,366	91,777	0.09	2,411	–	4,184
Total	89,366	91,777		2,411	–	4,184
	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						
2021						
Unitholder						
AKAT Investments ATF Tag Family Trust	–	41,467,735	17.61	41,467,735	–	110,794
Total	–	41,467,735		41,467,735	–	110,794
2020						
Unitholder						
AKAT Investments ATF Tag Family Trust	–	–	–	–	–	–
Total	–	–		–	–	–

10 Related party transactions (continued)

Related party unitholdings (continued)

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

Key management personnel unitholdings

At 30 June 2021 and 30 June 2020, no key management personnel held units in the Schemes except the Small Cap Fund and Concentrated Australian Share 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 2021, 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:

Australian Share Fund 0.993% (2020: 0.993%)

Equity Income Fund 0.993% (2020: 0.993%)

Smaller Companies Fund 0.993% (2020: 0.993%)

All Industrials Share Fund 0.993% (2020: 0.993%)

Future Leaders Fund 0.993% (2020: 0.993%)

Small Cap Fund 1.15% (2020: 1.15%)

Concentrated Australian Share Fund 0.993% (2020: 0.993%)

Private Portfolio Fund 0.993% (2020: 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		Equity Income Fund		Smaller Companies Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Fees earned by the Responsible Entity for the management of investments	1,826,216	2,211,575	18,292,224	24,843,889	5,352,628	7,533,032	1,492,923	1,583,116
Fees payable to the Responsible Entity as at reporting date	157,057	178,122	1,458,301	1,914,052	430,446	564,156	129,134	135,140

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Fees earned by the Responsible Entity for the management of investments	1,923,557	1,747,703	4,513,426	5,251,787	173,905	102,653	393,160	879,448
Fees payable to the Responsible Entity as at reporting date	172,649	158,576	387,042	428,866	64,809	9,629	33,619	40,063

\$171,302 (2020: \$NIL) performance fee was incurred in 2021 of which \$171,302 (2020: \$NIL) is payable as at 30 June 2021 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 has been outsourced to Citigroup Pty Limited since 27 November 2021. Prior to this date, it was outsourced to RBC Investor Services Trust.

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 foreign exchange 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 2021 and 30 June 2020 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:

Australian Share Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	–	44,133	–	–	–	–	–	44,133
Net exposure		44,133	–	–	–	–	–	44,133
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.63%	112,898	–	–	–	–	–	112,898
Net exposure		112,898	–	–	–	–	–	112,898

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$284,594 (2020: \$846,736). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Equity Income Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.23%	85,522	—	—	—	—	—	85,522
Floating rate notes	4.75%	—	—	—	—	—	5,230	5,230
Net exposure		85,522	—	—	—	—	5,230	90,752
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	1.45%	109,658	—	—	—	—	—	109,658
Floating rate notes	4.10%	—	—	5,197	—	—	—	5,197
Net exposure		109,658	—	5,197	—	—	—	114,855

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$680,637 (2020: \$854,600). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Smaller Companies Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.09%	14,288	—	—	—	—	—	14,288
Net exposure		14,288	—	—	—	—	—	14,288
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.61%	16,764	—	—	—	—	—	16,764
Net exposure		16,764	—	—	—	—	—	16,764

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$88,772 (2020: \$125,732). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

All Industrials Share Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.08%	6,759	—	—	—	—	—	6,759
Net exposure		6,759	—	—	—	—	—	6,759
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	1.40%	19,998	—	—	—	—	—	19,998
Net exposure		19,998	—	—	—	—	—	19,998

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$82,302 (2020: \$149,982). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Future Leaders Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.1%	18,852	—	—	—	—	—	18,852
Net exposure		18,852	—	—	—	—	—	18,852
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.61%	47,724	—	—	—	—	—	47,724
Net exposure		47,724	—	—	—	—	—	47,724

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$210,814 (2020: \$357,933). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Small Cap Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.01%	1,546	—	—	—	—	—	1,546
Net exposure		1,546	—	—	—	—	—	1,546
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.78%	1,432	—	—	—	—	—	1,432
Net exposure		1,432	—	—	—	—	—	1,432

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$13,594 (2020: \$10,743). A decrease of 0.75% (2020: 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 2020.

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	Less than 1 year	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 2021	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.05%	19,521	—	—	—	—	—	19,521
Net exposure		19,521	—	—	—	—	—	19,521
30 June 2020	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash and cash equivalents	0.53%	34,076	—	—	—	—	—	34,076
Net exposure		34,076	—	—	—	—	—	34,076

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$244,114 (2020: \$255,568). A decrease of 0.75% (2020: 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 2020.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

Private Portfolio Fund	Weight Average interest rate	Floating interest rate	Less than 1 year	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
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2021								
Financial Assets								
Cash and cash equivalents	(0.1)%	8,877	—	—	—	—	—	8,877
Floating rate notes	1.35%	—	—	—	—	—	726	726
Net exposure		8,877	—	—	—	—	726	9,603
30 June 2020								
Financial Assets								
Cash and cash equivalents	0.36%	4,863	—	—	—	—	—	4,863
Net exposure		4,863	—	—	—	—	—	4,863

Sensitivity analysis

An increase of 0.75% (2020: 0.75%) in interest rates applicable at reporting date would have increased operating profit or loss in 2021 by \$68,420 (2020: \$36,453). A decrease of 0.75% (2020: 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. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis in 2020.

(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 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% (2020:10%) at the reporting date of the underlying investments' prices for Australian Share Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$178,327,341 (2020: \$194,381,312). This analysis assumes that all other variables remain constant.

An increase of 10% (2020:10%) at the reporting date of the underlying investments' prices for Equity Income Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$45,098,387 (2020: \$49,471,991). This analysis assumes that all other variables remain constant.

An increase of 10% (2020:10%) at the reporting date of the underlying investments' prices for Smaller Companies Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$15,163,299 (2020: \$12,659,371). This analysis assumes that all other variables remain constant.

An increase of 10% (2020:10%) at the reporting date of the underlying investments' prices for All Industrials Share Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$19,035,162 (2020: \$17,200,474). This analysis assumes that all other variables remain constant.

An increase of 10% (2020:10%) at the reporting date of the underlying investments' prices for Future Leaders Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$47,002,161 (2020: \$40,596,709). This analysis assumes that all other variables remain constant.

An increase of 10% (2020:10%) at the reporting date of the underlying investments' prices for Small Cap Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$3,489,727 (2020: \$3,105,879). This analysis assumes that all other variables remain constant.

An increase of 10% (2020: 10%) at the reporting date of the underlying investments' prices for Concentrated Australian Share Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$19,865,659 (2020: \$13,762,848). This analysis assumes that all other variables remain constant.

An increase of 10% at the reporting date of the underlying investments' prices for Private Portfolio Fund would have increased operating profit before finance costs attributable to unitholders in 2021 by \$1,551,221 (2020: \$540,642). This analysis assumes that all other variables remain constant.

A decrease of 10% (2020: 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 2021 and 30 June 2020, 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 2021 had a credit rating of AA- (2020 RBC: AA). At 30 June 2021, 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.

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 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	1,506	—	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	—	—	—	—	—	—
Subtotal	26	—	—	—	—	—	—
30 June 2020							
Non-Derivative financial liabilities							
Distributions payable	97,665	97,665	97,665	—	—	—	—
Due to brokers - payable for securities purchased	65	65	—	65	—	—	—
Redemptions payable	2,165	2,165	—	2,165	—	—	—
Other payables	1,914	1,914	—	1,914	—	—	—
Subtotal	101,809	101,809	97,665	4,144	—	—	—
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	1,254	1,254	158	1,096	—	—	—
Subtotal	1,254	1,254	158	1,096	—	—	—

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 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	—	—	—
30 June 2020							
Non-Derivative financial liabilities							
Distributions payable	14,183	14,183	14,183	—	—	—	—
Due to brokers - payable for securities purchased	3,236	3,236	3,236	—	—	—	—
Redemptions payable	1,243	1,243	—	1,243	—	—	—
Other payables	564	564	—	564	—	—	—
Subtotal	19,226	19,226	17,419	1,807	—	—	—
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	8,599	8,599	7,330	1,269	—	—	—
Subtotal	8,599	8,599	7,330	1,269	—	—	—

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 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	—	—	—
Redemptions payable	539	539	—	539	—	—	—
Other payables	133	133	—	133	—	—	—
Subtotal	13,147	13,147	10,754	2,393	—	—	—

30 June 2020

Non-Derivative financial liabilities

Distributions payable	2,715	2,715	2,715	—	—	—	—
Due to brokers - payable for securities purchased	825	825	—	825	—	—	—
Redemptions payable	31	31	—	31	—	—	—
Other payables	135	135	—	135	—	—	—
Subtotal	3,706	3,706	2,715	991	—	—	—

11 Financial risk management (continued)

(d) Liquidity risk (continued)

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 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	3,048	3,048	1,114	1,929	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	5	5	–	5	–	–	–
Subtotal	5	5	–	5	–	–	–
30 June 2020							
Non-Derivative financial liabilities							
Distributions payable	4,611	4,611	4,611	–	–	–	–
Due to brokers - payable for securities purchased	1,169	1,169	–	1,169	–	–	–
Redemptions payable	167	167	–	167	–	–	–
Other payables	178	178	–	178	–	–	–
Subtotal	6,125	6,125	4,611	1,514	–	–	–
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	116	116	–	116	–	–	–
Subtotal	116	116	–	116	–	–	–

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 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	—	—	—

30 June 2020

Non-Derivative financial liabilities

Distributions payable	1,699	1,699	1,699	—	—	—	—
Due to brokers - payable for securities purchased	2,034	2,034	—	2,034	—	—	—
Redemptions payable	813	813	—	813	—	—	—
Other payables	429	429	—	429	—	—	—
Subtotal	4,975	4,975	1,699	3,276	—	—	—

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 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	904	904	756	148	—	—	—

30 June 2020

Non-Derivative financial liabilities

Distributions payable	80	80	80	—	—	—	—
Redemptions payable	62	62	—	62	—	—	—
Other payables	40	40	—	40	—	—	—
Subtotal	182	182	80	102	—	—	—

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 2021							
Non-Derivative financial liabilities							
Distributions payable	1,792	1,792	1,792	–	–	–	–
Redemptions payable	311	311	–	311	–	–	–
Other payable	178	178	–	178	–	–	–
Subtotal	2,281	2,281	1,792	489	–	–	–
30 June 2020							
Non-Derivative financial liabilities							
Distributions payable	2,501	2,501	2,501	–	–	–	–
Redemptions payable	413	413	–	413	–	–	–
Other payables	159	159	–	159	–	–	–
Subtotal	3,073	3,073	2,501	572	–	–	–

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 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	1,733	1,733	959	774	—	—	—
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	581	581	249	332	—	—	—
Subtotal	581	581	249	332	—	—	—
30 June 2020							
Non-Derivative financial liabilities							
Distributions payable	585	585	585	—	—	—	—
Investments in financial liabilities at fair value through profit or loss	929	929	—	929	—	—	—
Other payables	28	28	28	—	—	—	—
Subtotal	1,542	1,542	613	929	—	—	—
Derivative financial liabilities							
Investments in financial liabilities at fair value through profit or loss	357	357	144	213	—	—	—
Subtotal	357	357	144	213	—	—	—

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 Smaller Companies Fund, Future Leaders Fund, Small Cap Fund and Concentrated Australian Share Fund did not hold any derivatives during the current 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		
	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
Australian Share Fund						
30 June 2021						
Financial assets						
Derivative financial instruments	280	—	280	—	—	280
Total	280	—	280	—	—	280
30 June 2020						
Financial assets						
Derivative financial instruments	405	—	405	—	—	405
Total	405	—	405	—	—	405
30 June 2021						
Financial liabilities						
Derivative financial instruments	(26)	—	(26)	—	—	(26)
Total	(26)	—	(26)	—	—	(26)
30 June 2020						
Financial liabilities						
Derivative financial instruments	(1,254)	—	(1,254)	—	—	(1,254)
Total	(1,254)	—	(1,254)	—	—	(1,254)

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 2021						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2020						
Financial assets						
Derivative financial instruments	38	-	38	-	-	38
Total	38	-	38	-	-	38
30 June 2021						
Financial liabilities						
Derivative financial instruments	(3,582)	-	(3,582)	-	-	(3,582)
Total	(3,582)	-	(3,582)	-	-	(3,582)
30 June 2020						
Financial liabilities						
Derivative financial instruments	(8,599)	-	(8,599)	-	-	(8,599)
Total	(8,599)	-	(8,599)	-	-	(8,599)

12 Offsetting financial assets and financial liabilities (continued)

All Industrials 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 2021						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2020						
Financial assets						
Derivative financial instruments	24	-	24	-	-	24
Total	24	-	24	-	-	24
30 June 2021						
Financial liabilities						
Derivative financial instruments	(5)	-	(5)	-	-	(5)
Total	(5)	-	(5)	-	-	(5)
30 June 2020						
Financial liabilities						
Derivative financial instruments	(116)	-	(116)	-	-	(116)
Total	(116)	-	(116)	-	-	(116)

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	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 2021						
Financial assets						
Derivative financial instruments	25	–	25	–	–	25
Total	25	–	25	–	–	25
 30 June 2020						
Financial assets						
Derivative financial instruments	40	–	40	–	–	40
Total	40	–	40	–	–	40
 30 June 2021						
Financial liabilities						
Derivative financial instruments	581	–	581	–	–	581
Total	581	–	581	–	–	581
 30 June 2020						
Financial liabilities						
Derivative financial instruments	(357)	–	(357)	–	–	(357)
Total	(357)	–	(357)	–	–	(357)

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 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 (continued)

(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 2021 and 30 June 2020.

Australian Share Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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
	26	–	–	26

As at 30 June 2020

Financial assets

Financial assets at fair value through profit or loss:

Listed equities	1,847,988	–	–	1,847,988
Listed unit trusts	96,674	–	–	96,674
Futures	210	–	–	210
Options	195	–	–	195
Total	1,945,067	–	–	1,945,067

Financial liabilities

Financial liabilities at fair value through profit or loss:

Options	1,254	–	–	1,254
Total	1,254	–	–	1,254

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 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
Floating rate notes	–	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
As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	462,770	–	–	462,770
Listed unit trusts	40,511	–	–	40,511
Futures	38	–	–	38
Floating rate notes	–	5,197	–	5,197
Total	503,319	5,197	–	508,516
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	8,599	–	–	8,599
Total	8,599	–	–	8,599

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 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
 As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	116,228	–	–	116,228
Listed unit trusts	10,366	–	–	10,366
Total	126,594	–	–	126,594

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

All Industrials Share Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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
As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	163,568	–	–	163,568
Listed unit trusts	8,529	–	–	8,529
Futures	24	–	–	24
Total	172,121	–	–	172,121
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Options	116	–	–	116
Total	116	–	–	116

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 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
 As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	375,698	–	–	375,698
Listed unit trusts	30,269	–	–	30,269
Total	405,967	–	–	405,967

13 Fair value measurements (continued)

(iii) Recognised fair value measurements (continued)

Small Cap Fund	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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
 As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	28,450	–	–	28,450
Listed unit trusts	2,609	–	–	2,609
Total	31,059	–	–	31,059

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 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
As at 30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	131,088	–	–	131,088
Listed unit trusts	6,541	–	–	6,541
Total	137,629	–	–	137,629

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 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
Floating rate notes	–	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
Options	578	–	–	578
Futures	3	–	–	3
Total	1,111	–	–	1,111

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 2020				
Financial assets				
Financial assets at fair value through profit or loss:				
Listed equities	5,675	—	—	5,675
Listed unit trusts	977	—	—	977
Options	40	—	—	40
Total	6,692	—	—	6,692
Financial liabilities				—
Financial liabilities at fair value through profit or loss:				
Listed equities	509	—	—	509
Listed unit trusts	420	—	—	420
Futures	29	—	—	29
Options	328	—	—	328
Total	1,286	—	—	1,286

13 Fair value measurements (continued)

(iv) Transfers between levels

During the year there were no transfers between levels.

(v) Movement in level 3 instruments

The following table shows a reconciliation of the movement in fair value of the level 3 investments held as at 30 June 2021 and 30 June 2020:

	Smaller Companies Fund		Small Cap Fund	
	30 June 2021 \$'000 \$	30 June 2020 \$'000 \$	30 June 2021 \$'000 \$	30 June 2020 \$'000 \$
Opening balance	—	1,250	—	750
Purchases	—	63	—	38
Sales	—	(1,313)	—	(788)
Transfer into level 3 financial instruments	—	—	—	—
Total unrealised gains/(losses) on level 3 financial instruments	—	—	—	—
Closing balance	—	—	—	—
Total net gains for the year included in the statements of comprehensive income for financial assets and liabilities held at the end of the year	—	—	—	—

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

The carrying value less expected credit loss 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		Equity Income Fund		Smaller Companies Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'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	42,779	(36,852)	358,521	(261,362)	98,224	(132,578)	42,273	(17,624)
Net changes in the fair value of assets	(39,656)	42,817	(324,788)	328,531	(87,784)	153,665	(40,278)	22,728
Proceeds from sale of investments	49,518	72,220	683,433	922,847	475,783	247,874	82,058	65,673
Purchase of financial instruments	(29,938)	(52,029)	(204,371)	(465,050)	(347,575)	(187,675)	(65,615)	(60,776)
Net change in dividends/distributions receivable	(232)	804	(208)	6,555	(190)	2,940	18	99
Net change in interest receivables	–	1	–	5	–	6	–	11
Net change in other receivables	9	–	126	59	47	40	1	(1)
Net change in payables and other liabilities	(16)	(31)	(408)	(421)	(120)	(160)	(2)	(6)
Net cash inflow from operating activities	22,464	26,930	512,305	531,164	138,385	84,112	18,455	10,104
(b) Cash and cash equivalents								
Cash at bank	6,308	19,375	40,797	108,185	51,536	52,247	14,266	16,742
Margin accounts	451	623	3,336	4,713	33,986	57,411	22	22
	6,759	19,998	44,133	112,898	85,522	109,658	14,288	16,764
(c) Non-cash financing and investing activities								
Distributions reinvested	794	2,620	27,180	60,850	1,804	3,697	989	3,357

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

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	29,402	(16,700)	124,274	(81,687)	2,389	(364)	10,841	(12,059)
Net changes in the fair value of assets	(26,852)	20,373	(117,767)	99,334	(2,350)	506	(10,457)	14,470
Proceeds from sale of investments	16,439	23,623	221,895	216,384	29,389	23,743	20,180	70,133
Purchase of financial instruments	(50,615)	(47,314)	(168,478)	(171,017)	(36,976)	(21,938)	(13,390)	(22,938)
Net change in dividends/distributions receivable	(63)	189	(139)	446	(46)	20	16	99
Net change in interest receivables	–	1	–	2	–	9	–	7
Net change in other receivables	(3)	(7)	13	7	1	1	2	11
Net foreign exchange losses/(gains)	–	–	–	–	–	–	–	8
Net change in payables and other liabilities	19	30	(30)	(61)	216	1	(5)	(56)
Net cash inflow/(outflow) from operating activities	(31,673)	(19,805)	59,768	63,408	(7,377)	1,978	7,187	49,675
(b) Cash and cash equivalents								
Cash at bank	16,837	31,379	18,715	47,659	6,395	3,007	1,539	1,425
Margin accounts	2,684	2,697	137	65	2,482	1,856	7	7
	19,521	34,076	18,852	47,724	8,877	4,863	1,546	1,432
(c) Non-cash financing and investing activities								
Distributions reinvested	373	649	530	3,978	5	3	18	3,528

15 Auditor's remuneration

	All Industrials Share Fund		Australian Share Fund		Equity Income Fund		Smaller Companies Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Audit and other assurance service								
Audit and review of financial reports	8,200	7,940	13,600	13,250	13,600	13,250	13,600	13,250
Audit of compliance plan	4,700	4,570	4,700	4,570	4,700	4,570	4,700	4,570
Total remuneration for audit services	12,900	12,510	18,300	17,820	18,300	17,820	18,300	17,820

	Concentrated Australian Share Fund		Future Leaders Fund		Private Portfolio Fund		Small Cap Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Audit and other assurance service								
Audit and review of financial reports	8,200	7,940	13,600	13,250	8,200	7,940	8,200	7,940
Audit of compliance plan	4,700	4,570	4,700	4,570	4,700	2,580	4,700	4,570
Total remuneration for audit services	12,900	12,510	18,300	17,820	12,900	10,520	12,900	12,510

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 2021 and 30 June 2020 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 2021 and 30 June 2020.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 9 to 84 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Schemes' financial position as at 30 June 2021 and of their performance for the financial year ended on that date; 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
17 September 2021



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the unitholders of Investors Mutual Limited's managed investment schemes

Opinion

For the following Investors Mutual Limited's managed investments schemes (the "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

We have audited the financial reports of the above Schemes, which comprises the statements of financial position as at 30 June 2021, the statements of 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 reports 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 2021 and of their financial performance for the relevant period 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* (the Code) that are relevant to our audit of the financial reports 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 Reports and Auditor's Report Thereon

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

Our opinion on the financial reports 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 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.

Responsibilities of the Directors for the Financial Reports

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

In preparing the financial reports, 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 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.

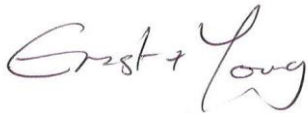
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ 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.

Auditor's Responsibilities for the Audit of the Financial Reports (continued)

- ▶ 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 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 Schemes 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 represent 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.



Ernst & Young



Darren Handley-Greaves
Partner
Sydney
17 September 2021