

CC Redwheel Global Emerging Markets Fund

ARSN 630 341 249

Annual Report for the year ended 30 June 2023

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These financial statements cover the CC Redwheel Global Emerging Markets Fund as an individual entity.

The Responsible Entity of the CC Redwheel Global Emerging Markets Fund is Channel Investment Management Limited (ABN 22 163 234 240, AFSL 439007). The Responsible Entity's registered office is Level 19, Waterfront Place, 1 Eagle Street, Brisbane, QLD 4000.

Directors' report

The Directors of Channel Investment Management Limited (ABN 22 163 234 240, AFSL 439007), the Responsible Entity of CC Redwheel Global Emerging Markets Fund ("the Fund"), present their report together with the financial report of the Fund for the year ended 30 June 2023.

Principal activities

The Fund was constituted on 12 December 2018, registered as a managed investment scheme on 14 December 2018 and commenced operations on 19 February 2019.

The Fund seeks to provide long term capital appreciation by investing, via the Underlying Fund, primarily in global Emerging Markets and Frontier Markets.

Channel Investment Management Limited has selected Class F Shares in the RWC Global Emerging Markets Fund ('RWC GEM Fund' or 'Underlying Fund') to invest in and to pursue the Fund's investment objective. The Investment Manager of the Fund is RWC Asset Management LLP and it has delegated the management of the Underlying Fund to RWC Asset Advisors (US) LLC.

The Fund's Investment Manager will seek to identify growing companies from Emerging Markets and Frontier Markets globally with strong sustainable cash flows at attractive valuations using an investment process which incorporates detailed top-down, bottom-up and thematic research.

The Fund did not have any employees during the year.

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

Directors

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

Mr G Holding
 Ms K Youhanna
 Mr S Jordan
 Mr J Yeo
 Mr M Tibbett

The Responsible Entity has a Compliance Committee consisting of two independent persons and one non-independent person. This committee's role is to oversee the compliance requirements of the Fund operated by the Responsible Entity.

Review and results of operations

During the year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The Fund's performance of the CC Redwheel Global Emerging Markets Fund Class A was 0.93% (net of fees) for the year ended 30 June 2023 (2022: 23.35%). The Fund's benchmark, the MSCI Emerging Markets Index Net AUD returned 5.11% for the same period (2022: 18.43%).

The Fund's performance of the CC Redwheel Global Emerging Markets Fund Class B was 1.36% (net of fees) for the year 30 June 2023 (for the period 12 July 2021 to 30 June 2022: 21.56%). The Fund's benchmark, the MSCI Emerging Markets Index Net AUD returned 5.11% for the same period (for the period 12 July 2021 to 30 June 2022: 15.82%).

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

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|---|-------------------------------|-------------------------------|
| Net operating profit/(loss) before finance costs attributable to unitholders (\$'000) | 1,542 | (66,018) |

There were no distributions paid or payable for the year (2022: \$Nil).

Significant changes in state of affairs

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

Directors' report (continued)

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

Insurance cover provided to either the officers of Channel Investment Management Limited or the auditors of the Fund is paid by Channel Capital Pty Ltd, the parent entity of Channel Investment Management Limited and not out of the assets of the Fund. So long as the officers of Channel Investment Management Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of Channel Capital Pty Ltd, the parent entity of the Fund against losses incurred while acting on behalf of the Fund.

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

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

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

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

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 13 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 4 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

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 4.

This report is made in accordance with a resolution of the Directors of Channel Investment Management Limited, the Responsible Entity.



Mr G Holding
Director
Channel Investment Management Limited

Brisbane
15 September 2023



Auditor's Independence Declaration

As lead auditor for the audit of CC Redwheel Global Emerging Markets Fund for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Paul Collins'.

Paul Collins
Partner
PricewaterhouseCoopers

Brisbane
15 September 2023

Statement of comprehensive income

| | Notes | Year ended 30 June 2023 \$'000 | Year ended 30 June 2022 \$'000 |
|--|-------|---|---|
| Investment income | | | |
| Interest income | | 33 | - |
| Management fee rebate | 14 | 331 | 357 |
| Net gains/(losses) on financial assets at fair value through profit or loss | 5 | 3,907 | (63,441) |
| Total net investment income | | 4,271 | (63,084) |
| Expenses | | | |
| Investment management fees | 14 | 2,729 | 2,934 |
| Total operating expenses | | 2,729 | 2,934 |
| Operating profit/(loss) before finance costs attributable to unitholders for the year | | 1,542 | (66,018) |
| Finance costs attributable to unitholders | | | |
| Distributions to unit holders | | - | - |
| (Increase)/decrease in net assets attributable to unitholders | | (1,542) | 62,886 |
| Profit/(loss) for the year | | - | (3,132) |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) for the year | | - | (3,132) |

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

Statement of financial position

| | Notes | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|---|-------|---------------------------------|---------------------------------|
| Assets | | | |
| Cash and cash equivalents | 8 | 385 | 514 |
| Receivables | 10 | 458 | 563 |
| Financial assets at fair value through profit or loss | 9 | 224,307 | 243,776 |
| Total assets | | 225,150 | 244,853 |
| Liabilities | | | |
| Redemptions payable | | 145 | 874 |
| Payables | 11 | 229 | 250 |
| Total liabilities (excluding net assets attributable to unitholders) | | 374 | 1,124 |
| Net assets attributable to unitholders - liability | 13 | 224,776 | 243,729 |

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

Statement of changes in equity

| | Notes | Year ended 30 June 2023 \$'000 | Year ended 30 June 2022 \$'000 |
|--|-------|---|---|
| Total equity at the beginning of the financial year | | - | 168,385 |
| Profit/(loss) for the year | | - | (3,132) |
| Total comprehensive income for the year | | - | (3,132) |
| Transactions with unitholders | | | |
| Applications | | - | 5,546 |
| Redemptions | | - | (1,533) |
| Total transactions with unitholders | | - | 4,013 |
| Reclassification due to issuance of second class of units* | | - | (169,266) |
| Total equity at the end of the financial year* | | - | - |

*Effective 12 July 2021, the Fund issued a new class of units. Accordingly, net assets attributable to unitholders were reclassified from equity to liability from 12 July 2021. Refer to Note 1 and Note 13 for further details.

Changes in net assets attributable to unitholders are disclosed in Note 13.

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

Statement of cash flows

| | Notes | Year ended 30 June 2023 \$'000 | Year ended 30 June 2022 \$'000 |
|--|--------|---|---|
| Cash flows from operating activities | | | |
| Proceeds from sales of financial instruments held at fair value through profit or loss | | 53,950 | 15,558 |
| Purchase of financial instruments at fair value through profit or loss | | (30,574) | (155,475) |
| Interest income received | | 33 | - |
| Other operating income received | | 361 | 207 |
| Management fees paid and management fee received | | (2,750) | (2,835) |
| Net cash inflow/(outflow) from operating activities | 15 (a) | 21,020 | (142,545) |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | 13 | 67,616 | 189,992 |
| Payments for redemptions by unitholders | 13 | (88,765) | (47,349) |
| Net cash inflow/(outflow) from financing activities | | (21,149) | 142,643 |
| Net increase/(decrease) in cash and cash equivalents | | (129) | 98 |
| Cash and cash equivalents at the beginning of the year | | 514 | 416 |
| Cash and cash equivalents at the end of the year | 8 | 385 | 514 |
| Non-cash financing activities | 15 (b) | - | - |

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

Notes to the financial statements

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1 General information

These financial statements cover CC Redwheel Global Emerging Markets Fund (the "Fund") as an individual entity. The Fund was constituted on 12 December 2018, registered as a managed investment scheme on 14 December 2018 and commenced operations on 19 February 2019.

The Responsible Entity of the Fund is Channel Investment Management Limited (ABN 22 163 234 240) (AFSL 439007) (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, Waterfront Place, 1 Eagle Street, Brisbane, QLD 4000. The financial statements are presented in the Australian currency.

The Responsible Entity is incorporated and domiciled in Australia.

The Fund seeks to provide long term capital appreciation by investing, via the Underlying Fund, primarily in global Emerging Markets and Frontier Markets.

Channel Investment Management Limited has selected Class F Shares in the RWC Global Emerging Markets Fund ('RWC GEM Fund' or 'Underlying Fund') to invest in and to pursue the Fund's investment objective. The investment manager of the Fund is RWC Asset Management LLP and it has delegated the management of the Underlying Fund to RWC Asset Advisors (US) LLC.

The Fund's Investment Manager will seek to identify growing companies from Emerging Markets and Frontier Markets globally with strong sustainable cash flows at attractive valuations using an investment process which incorporates detailed top-down, bottom-up and thematic research.

On 9 July 2021, the Responsible Entity has issued a new Product Disclosure Statement for Class B units and inception of class B was on 12 July 2021. Consequently, the units in the Fund have been reclassified from equity to financial liability on the first issue of Class B units on 12 July 2021, refer to Note 13 for further information.

The financial statements were authorised for issue by the directors of the Responsible Entity on 15 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

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

(ii) New standards and interpretations effective after 1 July 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Fund.

(iii) New and amended standards adopted by the Fund

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

Financial Assets

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Unit trusts and derivatives are classified as fair value through profit or loss. For cash and cash equivalents, other receivables and other payables, including amounts due to/from brokers, these balances are classified at amortised cost.

Financial Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, audit and tax fees payable, administration fees payable and custodian fees payable).

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

(iv) Offsetting financial instruments

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

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders in accordance with the Fund's constitution. The units are classified as financial liabilities if the Fund is required to distribute its distributable income.

The units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund. This amount represents the expected cash flows on redemption of these units.

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

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

As this is a multi-class fund, units are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 *Financial Instruments: Presentation*.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly 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.

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

(e) Investment income

(i) Interest income

Interest income from financial assets at amortised cost is recognised on a time proportionate basis using the effective interest rate method and includes interest from cash and cash equivalents.

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 period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates 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.

(ii) Distribution income

Distribution income from financial assets at fair value through profit or loss is measured in the statement of comprehensive income when the Fund's right to receive payment is established.

(f) Expenses

Any expenses which are paid by the unitholder from Fund assets are included in the Fund's financial statements and recognised in the profit or loss on an accruals basis. Any expenses that are paid directly to the Responsible Entity and/or investment manager by the unitholder as per the terms of individual agreements are not recognized in the Fund's financial statements.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders. The benefits of any imputation credits and foreign tax paid are passed on to unitholders.

(h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unitholders by cash or reinvestment. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Fund and are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(j) Due from/to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(k) Receivables

Receivables may include due amounts for interest and trust distributions. Interest and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC).

2 Summary of significant accounting policies (continued)

(k) Receivables (continued)

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

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

(l) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(m) Applications and redemptions

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

(n) Goods and Services Tax (GST)

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

(o) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and 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 Fund's 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 periodically 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.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

(p) Rounding of amounts

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

(q) Comparative revisions

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

3 Financial risk management

(a) Objectives, strategies, policies and processes

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

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

3 Financial risk management (continued)

(a) Objectives, strategies, policies and processes (continued)

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ratings analysis for credit risk.

As part of its risk management strategy, the Fund uses derivatives and other investments, including interest rate futures, to manage exposures resulting from changes in interest rates, and exposures arising from forecast transactions. These methods are explained below.

(b) Market risk

(i) Interest rate risk

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

(ii) Price risk

The Fund is exposed to price risk on equity securities via its investment in the Underlying Fund. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The table at Note 3(c) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests moves by +/- 10%.

Net assets attributable to unitholders include investments in equity securities and related derivatives. At 30 June 2023 and 30 June 2022, the overall market exposures were as follows:

| | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|--|---------------------------------|---------------------------------|
| Unit trusts at fair value through profit or loss | 224,307 | 243,776 |
| Total | 224,307 | 243,776 |

(iii) Currency risk

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

The Fund is not exposed to significant risks from movements in foreign exchange rates as there are no financial assets and liabilities denominated in foreign currencies.

(c) Summarised sensitivity analysis

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

| | Impact on operating profit/net assets attributable to unitholders | |
|---------------------------|--|-----------------|
| | Price risk | |
| | +10% \$'000 | -10% \$'000 |
| As at 30 June 2023 | 22,431 | (22,431) |
| As at 30 June 2022 | 24,378 | (24,378) |

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund holds no collateral as security or any other credit enhancement. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

3 Financial risk management (continued)

(d) Credit risk (continued)

(i) Derivative financial instruments

For derivative financial instruments, the Investment Manager has the ability to use gearing in the form of interest rate futures. Derivatives are used for interest rate hedging purposes or to replicate underlying bond securities in the form of futures contracts listed on the Sydney Stock Exchange. Futures can have the ability to magnify both profits and losses. There is also a liquidity risk associated with futures in that it may be difficult in times of volatility to trade in reasonable size.

(ii) Settlement of securities transactions

Where relevant, transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

(iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by Standard and Poor's/Moody's) or higher.

(iv) Other

The Fund is not materially exposed to credit risk on other financial assets.

(v) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets.

(e) Liquidity risk

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

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's liquidity position on a daily basis. The Fund's policy is reviewed annually. In order to manage the Fund's overall liquidity, the responsible entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during the year ended 30 June 2023.

The Fund's Constitution provides for daily application and redemption of units and it is therefore exposed to liquidity risk of meeting unitholder redemptions at any time. Units are redeemed on demand at the unitholder's option. At 30 June 2023, net assets attributable to unitholders was \$224,776,000 (2022: \$243,729,000).

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Net assets attributable to unitholders is not considered a financial liability but has been included below as units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holder of these instruments typically retain them for the medium to long term.

| | Less than 1 month \$'000 | 1 to 6 months \$'000 | 6 to 12 months \$'000 | Over 12 months \$'000 | Total \$'000 |
|--|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|
| As at 30 June 2023 | | | | | |
| Redemptions payable | 145 | - | - | - | 145 |
| Payables | 229 | - | - | - | 229 |
| Net assets attributable to unitholders - liability | 224,776 | - | - | - | 224,776 |
| Total financial liabilities | 225,150 | - | - | - | 225,150 |
| | Less than 1 month \$'000 | 1 to 6 months \$'000 | 6 to 12 months \$'000 | Over 12 months \$'000 | Total \$'000 |
| As at 30 June 2022 | | | | | |
| Redemptions payable | 874 | - | - | - | 874 |
| Payables | 250 | - | - | - | 250 |
| Net assets attributable to unitholders - liability | 243,729 | - | - | - | 243,729 |
| Total financial liabilities | 244,853 | - | - | - | 244,853 |

4 Fair value measurement

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

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

Fair value hierarchy

Classification of financial assets and financial liabilities

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

(a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as fixed interest securities and futures) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 of the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds 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.

(b) 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 best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

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

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The foreign currency contracts are valued at the forward rate.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

4 Fair value measurement (continued)

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy:

| As at 30 June 2023 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|-------------------------------|-------------------|-------------------|-------------------|-----------------|
| Financial assets | | | | |
| Unit trusts | - | 224,307 | - | 224,307 |
| Total financial assets | - | 224,307 | - | 224,307 |

| As at 30 June 2022 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|-------------------------------|-------------------|-------------------|-------------------|-----------------|
| Financial assets | | | | |
| Unit trusts | - | 243,776 | - | 243,776 |
| Total financial assets | - | 243,776 | - | 243,776 |

No level 3 instruments were held for the year ended 30 June 2023 and 30 June 2022. There were no transfers between levels during the year (2022: nil).

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

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

| | Year ended 30 June 2023 \$'000 | Year ended 30 June 2022 \$'000 |
|---|---|---|
| Financial assets | | |
| Net realised gains/(losses) on financial assets at fair value through profit or loss | (9,469) | (3,093) |
| Net unrealised gains/(losses) on financial assets at fair value through profit or loss | 13,376 | (60,348) |
| Net gains/(losses) on financial assets at fair value through profit or loss | 3,907 | (63,441) |
| Total net gains/(losses) on financial instruments at fair value through profit or loss | 3,907 | (63,441) |

6 Auditor's remuneration

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

| | Year ended 30 June 2023 \$ | Year ended 30 June 2022 \$ |
|--|-------------------------------------|-------------------------------------|
| PricewaterhouseCoopers Australia firm | | |
| Audit and other assurance services | | |
| Audit of financial statements | 13,700 | 13,400 |
| Audit of compliance plan | 6,000 | 8,000 |
| Total remuneration for audit and other assurance services | 19,700 | 21,400 |
| Other non-audit services | | |
| Tax compliance services | 4,500 | 4,200 |
| Total other non-audit services | | |
| Total remuneration of PricewaterhouseCoopers Australia firm | 24,200 | 25,600 |

The fees for audit, other assurance services and non-audit services are paid by the Responsible Entity out of the administration fees that they earn.

7 Distribution to unitholders

There were no distributions paid or payable for the year (2022: \$Nil).

8 Cash and cash equivalents

| | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|--|------------------------------------|------------------------------------|
| Cash at bank | 385 | 514 |
| Total cash and cash equivalents | 385 | 514 |

9 Financial instruments at fair value through profit or loss

| | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|---|------------------------------------|------------------------------------|
| Financial assets | | |
| Unit trusts | 224,307 | 243,776 |
| Total financial assets at fair value through profit or loss | 224,307 | 243,776 |
| Total financial instruments at fair value through profit or loss | 224,307 | 243,776 |

10 Receivables

| | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|----------------------------------|------------------------------------|------------------------------------|
| GST receivable | 50 | 56 |
| Applications receivable | 243 | 318 |
| Management fee rebate receivable | 165 | 189 |
| Total receivables | 458 | 563 |

11 Payables

| | As at 30 June 2023 \$'000 | As at 30 June 2022 \$'000 |
|-------------------------|------------------------------------|------------------------------------|
| Management fees payable | 229 | 250 |
| Total payables | 229 | 250 |

12 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements. 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 Fund. The Fund considers investments in unit trusts and managed funds to be structured entities.

The exposure to investments in unit trusts and managed funds as at 30 June are disclosed in the following table:

| Name | Fair value of investments | | Interest held | |
|---|---------------------------|----------------|---------------|-------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 % | 2022 % |
| RWC Global Emerging Markets Fund | 224,307 | 243,776 | 9.20 | 9.41 |

The Fund has exposures to structured entities through its trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds 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 3, which includes an indication of changes in risk measures compared to prior year.

13 Net assets attributable to unitholders - Liability

The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c).

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

| | 30 June 2023 | | 30 June 2022 | |
|---|-----------------|-------------------|-----------------|-------------------|
| | Units '000 | Dollars \$'000 | Units '000 | Dollars \$'000 |
| Net assets attributable to unitholders | | | | |
| Class-A | | | | |
| Opening balance | 208,752 | 243,719 | 110,549 | 168,385 |
| Applications | 58,820 | 67,541 | 136,822 | 189,467 |
| Redemptions | (76,830) | (88,036) | (38,619) | (48,116) |
| Profit/(loss) for the year | - | - | - | (3,132) |
| Increase/(decrease) in net assets attributable to unitholders | - | 1,542 | - | (62,885) |
| Closing balance | 190,742 | 224,766 | 208,752 | 243,719 |
| Class-B | | | | |
| Opening balance | 13 | 10 | - | - |
| Applications | - | - | 13 | 11 |
| Redemptions | - | - | - | - |
| Profit/(loss) for the year | - | - | - | - |
| Increase/(decrease) in net assets attributable to unitholders | - | - | - | (1) |
| Closing balance | 13 | 10 | 13 | 10 |
| Total | | | | |
| Opening balance | 208,765 | 243,729 | 110,549 | 168,385 |
| Applications | 58,820 | 67,541 | 136,835 | 189,478 |
| Redemptions | (76,830) | (88,036) | (38,619) | (48,116) |
| Reinvestment of distributions | - | - | - | - |
| Profit/(loss) for the year | - | - | - | (3,132) |
| Increase/(decrease) in net assets attributable to unitholders | - | 1,542 | - | (62,886) |
| Closing balance | 190,755 | 224,776 | 208,765 | 243,729 |

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

There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

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

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

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy is to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents. Under the terms of the Fund's Constitution, the Trustee has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

14 Related party transactions

The Responsible Entity of CC Redwheel Global Emerging Markets Fund is Channel Investment Management Limited.

Channel Investment Management Limited has selected Class F Shares in the RWC Global Emerging Markets Fund ('RWC GEM Fund' or 'Underlying Fund') to invest in and to pursue the Fund's investment objective. The Investment Manager of the Fund is RWC Asset Management LLP and it has delegated the management of the Underlying Fund to RWC Asset Advisors (US) LLC. Channel Investment Management Limited has appointed Mainstream Fund Services Pty Ltd to act as Administrator for the Underlying Fund.

The following fees are charged by the Responsible Entity:

(i) Management and administration fees

The Fund's constitution permits the Responsible Entity to charge a management fee of up to 1.23% per annum (including GST less RITC) of the net asset value of the Class A Units. From this, the Responsible Entity pays RWC Asset Advisors (US) LLC a fee for acting as the Investment Manager of the Underlying Fund.

On 9 July 2021, the Fund introduced a second class of units (Class B units) with management fees charged as 0.82% per annum (including GST net of RITC) of the net asset value of the Class B units plus a performance fee equal to 15.375% per annum (including GST net of RITC) of the outperformance over the benchmark (net of management fee) of Class B units.

The Administration fee (which is included in the management fees) is calculated in relation to the NAV of the Fund relating to Class A and Class B Units. The Responsible Entity pays the expenses of the Fund (other than the extraordinary expenses and Transaction costs) and indirect costs from the Administration fee.

The administration fee covers the costs and expenses of providing administration services to the Fund. These costs and expenses include registry, administration, custodial, compliance and operational costs, excluding extraordinary expenses.

The management fee is calculated and accrued daily and is reflected in the Fund's unit price. This fee is deducted from the assets of the Fund and is generally paid monthly in arrears.

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

| | Year ended 30 June 2023 \$ | Year ended 30 June 2022 \$ |
|--|-------------------------------------|-------------------------------------|
| Management and administration fees for the year paid by the Fund to the Responsible Entity | 2,728,708 | 2,933,546 |
| Management fee rebate received for the year | 331,370 | 357,219 |
| Aggregate amounts payable to the Responsible Entity at the end of the reporting period | 228,588 | 250,275 |
| Management fees rebate receivable for the year | 164,595 | 188,951 |

(a) Key management personnel

(i) Responsible Entity

The key management personnel of Channel Investment Management Limited at any time during the financial year are as follows :

Name

Mr G Holding
Ms K Youhanna
Mr S Jordan
Mr J Yeo
Mr M Tibbett

(b) Related party unit holdings

Parties related to the Fund (including Channel Investment Management Limited, its related parties and other schemes managed by Channel Investment Management Limited and the Investment Manager) held units in the Fund as follows:

| | Number of units held opening | Number of units held closing | Fair value of investment \$ | Interest held % | Number of units acquired | Number of units disposed | Distributions paid/payable by the Fund \$ |
|---------------------------|------------------------------------|------------------------------------|-----------------------------------|--------------------|--------------------------------|--------------------------------|--|
| As at 30 June 2023 | | | | | | | |
| Yeofam Family Trust | 14,640 | 12,640 | 10,050 | 0.00 | - | 2,000 | - |
| As at 30 June 2022 | | | | | | | |
| Yeofam Family Trust | 2,000 | 14,640 | 12,250 | 0.01 | 12,640 | - | - |

14 Related party transactions (continued)

(c) Investments

The Fund did not hold any investments in other schemes managed by Channel Investment Management Limited or its related parties.

(d) Key management personnel compensation

Key management personnel are paid by Channel Capital Pty Ltd, the parent entity of Channel Investment Management Limited. Payments made from the Fund to Channel Investment Management Limited do not include any amounts directly attributable to key management personnel remuneration.

(e) Key management personnel loan disclosures

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

(f) Other transactions within the Fund

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

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

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

| | Year ended 30 June 2023 \$'000 | Year ended 30 June 2022 \$'000 |
|--|---|---|
| (a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities | | |
| Profit/(loss) for the year | - | (3,132) |
| Proceeds from sales of financial instruments held at fair value through profit or loss | 53,950 | 15,558 |
| Purchase of financial instruments at fair value through profit or loss | (30,574) | (155,475) |
| Net (gains)/losses on financial instruments at fair value through profit or loss | (3,907) | 63,441 |
| (Increase)/decrease in receivables | 30 | (150) |
| Increase/(decrease) in payables | (21) | 99 |
| Increase/(decrease) in net assets attributable to unitholders | 1,542 | (62,886) |
| Net cash inflow/(outflow) from operating activities | 21,020 | (142,545) |
| (b) Non-cash financing activities | | |
| The following distribution payments to unitholders were satisfied by the issue of units under the distribution reinvestment plan | - | - |
| Total non-cash financing activities | - | - |

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

16 Events occurring after the reporting date

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

17 Contingent assets and liabilities and commitments

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

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Mr G Holding
Director
Channel Investment Management Limited

Brisbane
15 September 2023



Independent auditor's report

To the unitholders of CC Redwheel Global Emerging Markets Fund

Our opinion

In our opinion:

The accompanying financial report of CC Redwheel Global Emerging Markets Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Registered Scheme's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

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



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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized, handwritten signature of PricewaterhouseCoopers in a cursive script.

PricewaterhouseCoopers

A stylized, handwritten signature of Paul Collins in a cursive script.

Paul Collins
Partner

Brisbane
15 September 2023