

CC Sage Capital Absolute Return Fund

ARSN 634 149 287

Interim Financial Report for the half-year ended 31 December 2022

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These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made in respect of CC Sage Capital Absolute Return Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements cover the CC Sage Capital Absolute Return Fund as an individual entity.

The Responsible Entity of the CC Sage Capital Absolute Return 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 Sage Capital Absolute Return Fund ("the Fund"), present their report together with the interim financial report of the Fund for the half-year ended 31 December 2022.

Principal activities

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

The Fund was constituted on 14 June 2019, registered as a managed investment scheme on 25 June 2019 and commenced operations on 20 August 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 interim financial statements are presented in the Australian currency.

The Responsible Entity is incorporated and domiciled in Australia.

Sage Capital Pty Ltd is the Investment Manager of the Fund.

The Custodian of the Fund is Morgan Stanley & Co. International PLC.

The Fund aims to achieve positive returns in excess of the RBA Cash Rate, after fees and expenses, over the long term by taking both long positions and short positions in selected Australian shares.

The Fund takes both long positions and short positions in selected Australian shares that are listed on the Australian Securities Exchange ('ASX') or expected to be listed within 90 days. The Fund is an absolute return strategy with the typical asset classes held by the Fund comprising Australian listed shares, cash and cash equivalent instruments and exchange traded derivatives.

The Fund did not have any employees during the half-year.

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

Directors

The following persons held office as directors of Channel Investment Management Limited during or since the end of the half-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

There have been no significant changes to the operations of the Fund since the beginning of financial period. 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.

Class A's performance was -1.78% (net of fees) for the half-year ended 31 December 2022 (9.45% for the half-year ended 31 December 2021). Class B's performance was -0.95% (net of fees) for the half-year ended 31 December 2022 (12.63% for the half-year ended 31 December 2021). Class C's performance was -1.38% (net of fees) for the half-year ended 31 December 2022 (3.31% for the half-year ended 31 December 2021). The Fund's benchmark for all three classes, the RBA Cash Rate returned 1.13% for the same period.

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

	Half-year ended 31 December 2022	Half-year ended 31 December 2021
Net operating profit before financing costs attributable to unitholders (\$'000)	(7,182)	6,734

There were no distributions declared for the half-year ended 31 December 2022 and 31 December 2021.

Directors' report (continued)

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 half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 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 the officers of Channel Investment Management Limited is paid by Channel Capital Pty Ltd, 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 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.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity 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, 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
2 March 2023



Auditor's Independence Declaration

As lead auditor for the review of CC Sage Capital Absolute Return Fund for the half-year ended 31 December 2022, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Paul Collins', written in a cursive style.

Paul Collins
Partner
PricewaterhouseCoopers

Brisbane
2 March 2023

Statement of comprehensive income

		Half-year ended 31 December 2022 \$'000	Half-year ended 31 December 2021 \$'000
	Notes		
Investment income			
Dividend and distribution income		6,900	1,670
Interest income from financial assets at amortised cost		5,023	1
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(3,925)	10,449
Total net investment income		7,998	12,120
Expenses			
Dividend expense on short sold securities		10,223	2,172
Interest expense		-	20
Management fees		2,540	590
Recoverable fees		14	10
Administration fees		199	41
Performance fees		13	1,723
Broker fees		-	449
Stock Loan fees		2,178	355
Other fees		13	26
Total operating expenses		15,180	5,386
Operating profit/(loss) for the half-year		(7,182)	6,734
Finance costs attributable to unitholders			
Distributions to unitholders	5	-	-
(Increase)/decrease in net assets attributable to unitholders	7	7,182	(6,734)
Profit/(loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income for the half-year		-	-

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

Statement of financial position

	Notes	As at 31 December 2022 \$'000	As at 30 June 2022 \$'000
Assets			
Cash and cash equivalents		515,938	351,035
Receivables		3,679	1,923
Due from brokers - receivable for securities sold		4,943	8,256
Financial assets at fair value through profit or loss	6	534,025	367,646
Total assets		1,058,585	728,860
Liabilities			
Bank overdrafts		-	86
Payables		1,984	7,077
Due to brokers - payable for securities purchased		5,156	5,898
Financial liabilities at fair value through profit or loss	6	539,483	364,841
Total liabilities (excluding net assets attributable to unitholders)		546,623	377,902
Net assets attributable to unitholders - liability	7	511,962	350,958

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

Statement of changes in equity

	Half-year ended 31 December 2022 \$'000	Half-year ended 31 December 2021 \$'000
Total equity at the beginning of the financial half-year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the half-year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial half-year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half-year.

Changes in net assets attributable to unitholders are disclosed in Note 7.

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

Statement of cash flows

		Half-year ended 31 December 2022 \$'000	Half-year ended 31 December 2021 \$'000
	Notes		
Cash flows from operating activities			
Proceeds from sales of financial assets at fair value through profit or loss		427,649	169,286
Payments for settlement of financial liabilities at fair value through profit or loss		(453,022)	(167,010)
Payments for purchase of financial instruments at fair value through profit or loss		(629,039)	(309,789)
Proceeds from re-purchase of financial liabilities at fair value through profit or loss		661,321	317,841
Dividends and distributions received		6,620	1,482
Interest income received		3,914	6
Dividend expense paid on short position securities		(10,225)	(2,046)
Interest expense paid		-	(20)
Management fees paid		(2,371)	(478)
Administration fees paid		(199)	(41)
Broker fees paid		-	(449)
Performance fees paid		(5,288)	(273)
Stock Loan fees paid		(2,178)	(355)
Other fees paid		36	49
Net cash inflow/(outflow) from operating activities		(2,782)	8,203
Cash flows from financing activities			
Proceeds from applications by unitholders	7	202,252	120,358
Payments for redemptions by unitholders	7	(34,481)	(4,425)
Distributions paid		-	(7)
Net cash inflow/(outflow) from financing activities		167,771	115,926
Net increase/(decrease) in cash and cash equivalents		164,989	124,129
Cash and cash equivalents at the beginning of the half-year		350,949	58,338
Cash and cash equivalents at the end of the half-year		515,938	182,467
Non-cash operating and financing activities	7	-	4

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

Notes to the interim financial statements

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1 General information

These interim financial statements cover CC Sage Capital Absolute Return Fund (the "Fund") as an individual entity. The Fund was constituted on 14 June 2019, registered as a managed investment scheme on 25 June 2019 and commenced operations on 20 August 2019.

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

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.

Sage Capital Pty Ltd is the Investment Manager of the Fund.

The Custodian of the Fund is Morgan Stanley & Co. International PLC.

The Fund aims to achieve positive returns in excess of the Fund Benchmark, after fees and expenses, over the long term by taking both long positions and short positions in selected Australian shares.

The Fund takes both long positions and short positions in selected Australian shares that are listed on the Australian Securities Exchange ('ASX') or expected to be listed within 90 days. The Fund is an absolute return strategy with the typical asset classes held by the Fund comprising Australian listed shares, cash and cash equivalent instruments and exchange traded derivatives.

The interim financial statements were authorised for issue by the directors of the Responsible Entity on 2 March 2023. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

2 Basis of preparation of interim financial statements

These interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

(a) Significant accounting policies

The accounting policies in these interim financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2022.

(b) New accounting standards and interpretations not yet adopted

There are no standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

(c) Rounding of amounts to the nearest thousand dollars

The Fund is an entity 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 interim financial statements and directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

3 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 listed equities and unit trusts) 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 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.

3 Fair value measurement (continued)

(c) Recognised fair value measurements

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 31 December 2022 and 30 June 2022:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2022				
Financial assets				
Listed equities	486,231	-	-	486,231
Listed unit trusts	15,116	-	-	15,116
Listed property unit trusts	32,678	-	-	32,678
Total financial assets	534,025	-	-	534,025
Financial liabilities				
Listed equities	466,685	-	2,381	469,066
Listed unit trusts	50,418	-	-	50,418
Listed property unit trusts	19,999	-	-	19,999
Total financial liabilities	537,102	-	2,381	539,483
As at 30 June 2022				
Financial assets				
Listed equities	342,833	-	-	342,833
Listed unit trusts	823	-	-	823
Listed property unit trusts	23,990	-	-	23,990
Total financial assets	367,646	-	-	367,646
Financial liabilities				
Listed equities	311,940	-	2,381	314,321
Listed unit trusts	42,584	-	-	42,584
Listed property unit trusts	7,936	-	-	7,936
Total financial liabilities	362,460	-	2,381	364,841

(d) Transfer between levels

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

There were no transfers between levels for the half-year ended 31 December 2022.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at 30 June 2022			
Transfers between level 1 and level 3			
Listed equity securities - liability	(2,381)	-	2,381

At the end of the June year-end reporting period, management have transferred the Fund's investments in amount of \$2,381,246.49 from level 1 to level 3 on the fair value hierarchy on the basis that an ASX entity was suspended from official quotation in the ASX on 11 May 2022. There were no other transfers between levels in the fair value hierarchy for the period ended 30 June 2022.

(e) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2022 by the class of financial instrument.

	Listed equity securities - liability \$'000	Total \$'000
Opening balance – 31 December 2021	-	-
Transfers into/(out) from level 3	2,381	2,381
Purchases	-	-
Sales	-	-
Gains/(losses) recognised in the statement of comprehensive income	-	-
Closing balance – 30 June 2022	2,381	2,381
Transfers into/(out) from level 3	-	-
Purchases	-	-
Sales	-	-
Gains/(losses) recognised in the statement of comprehensive income	-	-
Closing balance – 31 December 2022	2,381	2,381

3 Fair value measurement (continued)

(e) Fair value measurements using significant unobservable inputs (level 3) (continued)

(i) Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 3(d) above.

4 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:

	Half-year ended 31 December 2022 \$'000	Half-year ended 31 December 2021 \$'000
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	7,360	6,193
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	11,874	3,636
Net gains/(losses) on financial assets at fair value through profit or loss	19,234	9,829
Financial liabilities		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	(1,065)	638
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	(22,094)	(18)
Net gains/(losses) on financial liabilities as at fair value through profit or loss	(23,159)	620
Total net gains/(losses) on financial instruments at fair value through profit or loss	(3,925)	10,449

5 Distribution to unitholders

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

There were no distributions declared for the half-year ended 31 December 2022 and 31 December 2021.

6 Financial instruments at fair value through profit or loss

	As at 31 December 2022 \$'000	As at 30 June 2022 \$'000
Financial assets		
Listed equities	486,231	342,833
Listed unit trusts	15,116	823
Listed property unit trusts	32,678	23,990
Total financial assets at fair value through profit or loss	534,025	367,646
Financial liabilities		
Listed equities	469,066	314,321
Listed unit trusts	50,418	42,584
Listed property unit trusts	19,999	7,936
Total financial liabilities at fair value through profit or loss	539,483	364,841
Total net financial instruments at fair value through profit or loss	(5,458)	2,805

7 Net assets attributable to unitholders

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

	Half-year ended 31 December 2022		Half-year ended 31 December 2021	
	Units Number	Dollars \$'000	Units Number	Dollars \$'000
Class A				
Opening balance	217,412,929	306,921	43,769,853	51,792
Applications	138,630,750	193,820	74,608,758	94,774
Redemptions	(24,491,306)	(34,266)	(3,578,904)	(4,426)
Reinvestment of distributions	-	-	1,710	2
Increase/(decrease) in net assets attributable to unitholders	-	(6,596)	-	5,933
Closing balance	331,552,373	459,879	114,801,417	148,075
Class B				
Opening balance	5,816,004	8,961	4,858,952	5,931
Applications	-	-	-	-
Redemptions	-	-	-	-
Reinvestment of distributions	-	-	1,627	2
Increase/(decrease) in net assets attributable to unitholders	-	(83)	-	722
Closing balance	5,816,004	8,878	4,860,579	6,655
Class C				
Opening balance	31,048,960	35,076	-	-
Applications	7,851,052	8,768	25,599,399	26,251
Redemptions	-	(136)	-	-
Reinvestment of distributions	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	(503)	-	79
Closing balance	38,900,012	43,205	25,599,399	26,330
Closing balance		511,962		181,060

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 three separate classes of units. Each unit within the same class has the same rights as all other units within that class.

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 period cannot be reliably determined.

8 Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 31 December 2022 or on the results and cash flows of the Fund for the half-year ended on that date.

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2022 and 30 June 2022.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 5 to 14 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 31 December 2022 and of its performance for the half-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.

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



Mr G Holding
Director
Channel Investment Management Limited

Brisbane
2 March 2023



Independent auditor's review report to the unitholders of CC Sage Capital Absolute Return Fund

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of CC Sage Capital Absolute Return Fund (the Fund) which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of CC Sage Capital Absolute Return Fund does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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

Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, cursive signature of the PricewaterhouseCoopers firm, written in a dark grey or black ink.

PricewaterhouseCoopers

A stylized, cursive signature of Paul Collins, written in a dark grey or black ink.

Paul Collins
Partner

Brisbane
2 March 2023