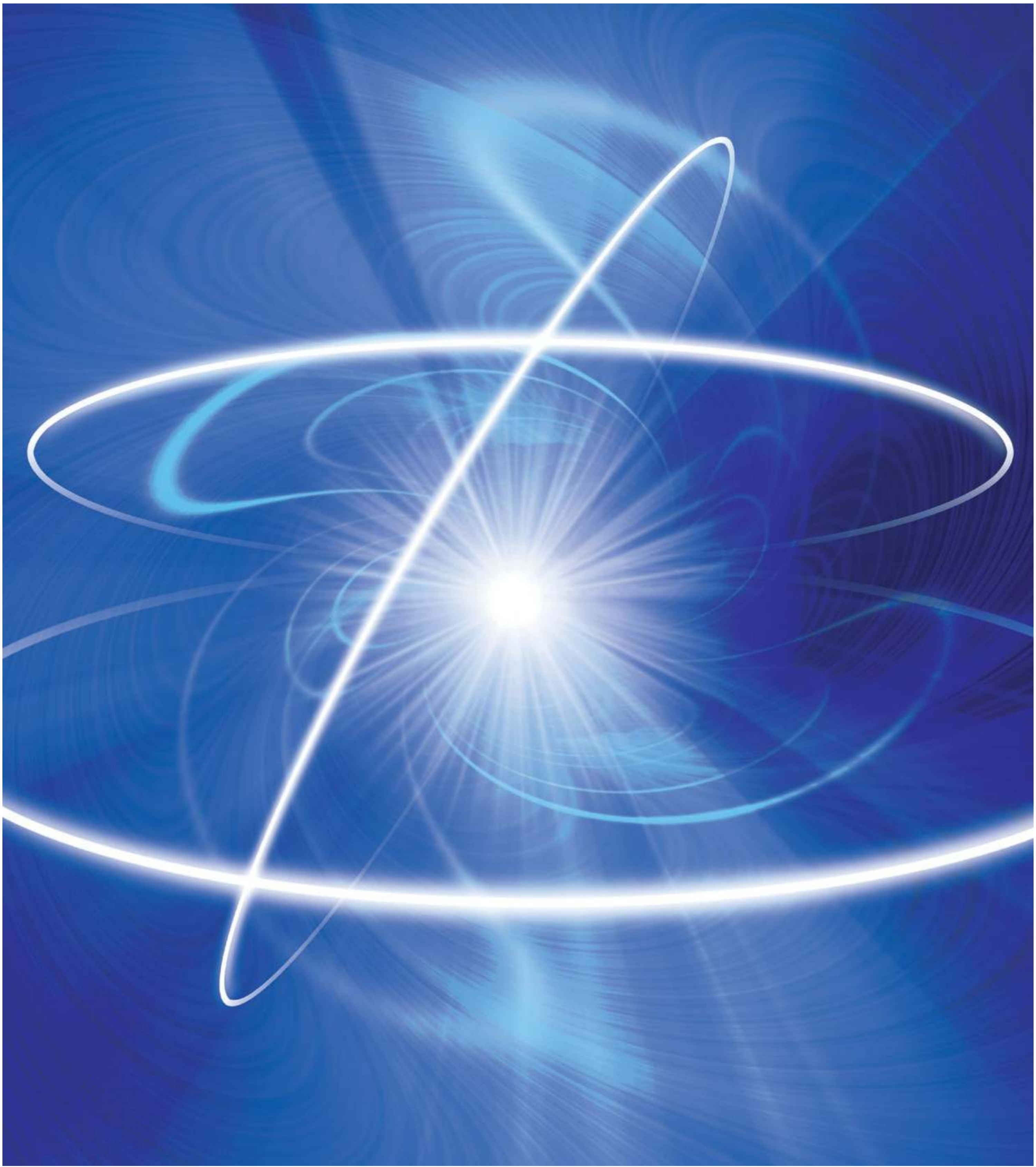
Man AHL Alpha (AUD)

ARSN 138 643 768

Annual financial report
for the reporting period ended 30 June 2022



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Annual financial statements for the financial year ended 30 June 2022

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Annual financial statements for the financial year ended 30 June 2022

Contents

These financial statements cover Man AHL Alpha (AUD) Fund as an individual entity.

The Responsible Entity of Man AHL Alpha (AUD) Fund is Man Investments Australia Limited (ABN 47 002 747 480) (AFS Licence No. 240581). The Responsible Entity's registered office is Level 28, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

Directors' report

The directors of Man Investments Australia Limited, the Responsible Entity of Man AHL Alpha (AUD) Fund (the "Scheme"), present their report together with the financial statements of the Scheme for the financial year ended 30 June 2022 (the "financial year").

Scheme information

The Scheme is an Australian registered scheme. Man Investments Australia Limited, the Responsible Entity, is a company limited by shares, incorporated and domiciled in Australia. The Scheme was registered on 17 August 2009.

Responsible Entity

The Responsible Entity of Man AHL Alpha (AUD) Fund is Man Investments Australia Limited (ABN 47 002 747 480) (AFS Licence No. 240581). The Responsible Entity's registered office and principal place of business is Level 28, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

Principal activities

The Scheme invests in shares in AHL Strategies PCC Limited (the "Underlying Fund"), which invests by using the AHL Alpha Program. The AHL Alpha Program is a computerised managed futures program that accesses in around 500 international markets.

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

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

Directors

The following persons held office as directors of Man Investments Australia Limited during the financial year or since the end of the financial year and up to the date of this report:

Hersh Gandhi	
Oliver Stern	(resigned 16 September 2022)
Solomon Kuckelman	(appointed 16 September 2022)
Stephen Jordan	
Murray Steel	(resigned 25 May 2022)

Review and results of operations

There have been no significant changes to the operations of the Scheme since the previous financial year. The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

Directors' report (continued)

Review and results of operations (continued)

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

	Year ended	
	30 June 2022	30 June 2021
Profit/(loss) before finance costs attributable to unitholders ($'000)	**33,742**	38,095
Class A		
Distribution paid and payable ($'000)	**3,104**	8,712
Distribution (Cents per unit - CPU)	**1.63**	4.94
Class B		
Distribution paid and payable ($'000)	**4,507**	4,096
Distribution (Cents per unit - CPU)	**3.55**	5.98

Significant changes in state of affairs

Murray Steel resigned as a director of Man Investments Australia Limited on 25 May 2022.

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

Events occurring after the financial year

Oliver Stern resigned as a director of Man Investments Australia Limited on 16 September 2022.

Solomon Kuckelman was appointed as a director of Man Investments Australia Limited on 16 September 2022.

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

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

Likely developments and expected results of operations

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

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

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

Directors' report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Man AHL Alpha (AUD) Fund or the auditors of the Scheme. So long as the officers of Man AHL Alpha (AUD) Fund act in accordance with the Scheme's Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

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

Fees paid to the Responsible Entity and its associates out of Scheme property during the financial year are disclosed in note 12 of the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the financial year

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 12 of the financial statements.

Interests in the Scheme

The movement in units on issue in the Scheme during the financial year is disclosed in note 5 of the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Scheme is not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory Law.

Environmental, social and governance (ESG) risks, including climate change, are identified, measured, monitored, reported and overseen in accordance with the Scheme's Risk Management Framework.

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument* 2016/191 issued by Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Comparative information

The financial statements are for the financial year from 1 July 2021 to 30 June 2022. The comparative information period encompasses the period from 1 July 2020 to 30 June 2021.

Directors' report (continued)

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 6.

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

Stephen Jordan
Director

Sydney
11 October 2022

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Auditor's independence declaration to the Directors of Man Investments Australia Limited as Responsible Entity of Man AHL Alpha (AUD) Fund

As lead auditor for the audit of the financial report of Man AHL Alpha (AUD) Fund for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

E Reekie

Emma Reekie
Partner
11 October 2022

Statement of comprehensive income

	Notes	Year ended 30 June 2022 $'000	Year ended 30 June 2021 $'000
Investment income			
Net gains/(losses) on financial instruments at fair value through profit or loss	3	**34,422**	38,508
Total investment income/(loss)		**34,422**	38,508
Expenses			
Interest expense		**1**	3
Recoverable expenses	12	**679**	410
Total expenses		**680**	413
Profit/(loss) before finance costs attributable to unitholders		**33,742**	38,095
Finance costs attributable to unitholders			
Distributions to unitholders	6	**7,611**	12,808
Increase/(decrease) in net assets attributable to unitholders	5	**26,131**	25,287
Profit/(loss) for the financial year attributable to unitholders		**-**	-
Other comprehensive income for the financial year		**-**	-
Total comprehensive income for the financial year attributable to unitholders		**-**	-

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

Statement of financial position

		As at	
		30 June 2022	30 June 2021
	Notes	**$'000**	$'000
Assets			
Cash and cash equivalents	7	**6,917**	5,124
Receivables	8	**20**	394
Due from brokers - unsettled sales		**1,161**	-
Financial assets at fair value through profit or loss	9	**455,085**	347,024
Total assets		**463,183**	352,542
Liabilities			
Distribution payable	6	**7,611**	12,808
Payables	10	**3,619**	1,630
Total liabilities (excluding net assets attributable to unitholders)		**11,230**	14,438
Net assets attributable to unitholders - liability	5	**451,953**	338,104

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

Statement of changes in equity

	Year ended	
	30 June 2022	30 June 2021
	$'000	$'000
Total equity at the beginning of the financial year	**-**	-
Comprehensive income for the financial year		
Profit/(loss) for the financial year	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income for the financial year	**-**	-
Transactions with owners in their capacity as owners	**-**	-
Total equity at the end of the financial year	**-**	-

In accordance with AASB 132 *Financial Instruments: Presentation*, the Scheme's net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the financial year.

Changes in net assets attributable to unitholders are disclosed in note 5.

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 2022 $'000	30 June 2021 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**35,753**	53,363
Purchase of financial instruments at fair value through profit or loss		**(110,553)**	(60,997)
Interest received/(paid)		**(1)**	(3)
Payment of recoverable expenses		**(696)**	(598)
Net cash inflow/(outflow) from operating activities	13(a)	**(75,497)**	(8,235)
Cash flows from financing activities			
Proceeds from applications by unitholders		**172,954**	117,906
Payments for redemptions by unitholders		**(87,792)**	(105,780)
Distributions paid		**(7,872)**	(4,247)
Net cash inflow/(outflow) form financing activities		**77,290**	7,879
Net increase/(decrease) in cash and cash equivalents		**1,793**	(356)
Cash and cash equivalents at the beginning of the financial year		**5,124**	5,480
Cash and cash equivalents at the end of the financial year	7, 13(a)	**6,917**	5,124

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

Contents

1 General information

These financial statements cover Man AHL Alpha (AUD) Fund (the “Scheme”) as an individual entity.

The Responsible Entity of the Scheme is Man Investments Australia Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Level 28, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

The Scheme is an Australian registered Scheme.

The financial statements are presented in the Australian currency.

The Scheme invests in shares in AHL Strategies PCC Limited (the “Underlying Fund”), which invests by using the AHL Alpha Program. The AHL Alpha Program is a computerised managed futures program that accesses in around 500 international markets.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements were authorised for issue by the directors on 11 October 2022. The directors of the Responsible Entity have the power to amend and reissue the financial report.

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 to all financial periods 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, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Scheme is a for-profit entity for the purposes 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 where the amount expected to be recovered or settled within twelve months after the end of the financial year cannot be reliably determined.

Compliance with Australian Accounting Standards and International Financial Reporting Standards

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

New/Amended standards and interpretations adopted by the Scheme

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) ***Classification***

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Assets

The Scheme classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

The Scheme holds shares which are mandatorily held at fair value through profit or loss. In accordance with AASB 9 this classification has remained.

For other receivables, including amounts due to/from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

(ii) ***Impairment***

AASB 9 requires the Scheme to record an allowance for expected credit loss ("ECL") for all financial assets not held at fair value through profit or loss.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Scheme expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from brokers and 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 counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net 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 expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Scheme considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Scheme may also consider a financial asset to be in default when internal or external information indicates that the Scheme is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Scheme.

(iii) ***Recognition/derecognition***

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

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Scheme has transferred substantially all of the risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) ***Measurement***

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all 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.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the year without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Scheme is the current bid price, and the quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in 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.

Fair value in an inactive or unquoted market

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, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is the market rate at the end of the financial year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the financial year.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such unit trusts.

(v) ***Offsetting financial instruments***

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when, and only when, there is currently 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. The units can be put back to the Scheme at any time for cash based on the redemption price, which is equal to a proportionate share of the Scheme's net asset value attributable to the unitholders. The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Scheme. This amount represents the expected cash flows on redemption of these units. Refer to note 5 for further detail.

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, and bank overdrafts.

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 Scheme's main income generating activity.

(e) Investment income

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments held at amortised cost on an effective interest method basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

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

Net gains/(losses) on investments are calculated as the difference between the fair value at sale, or at financial year end and the fair value at the previous valuation point. These include both realised and unrealised gains and losses.

(g) Expenses

All expenses, including recoverable expenses are recognised in the statement of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Scheme is not subject to income tax provided it attributes all of its taxable income to its unitholders.

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

(i) Distributions

In accordance with the Scheme's Constitution, the Scheme may distribute amounts to unitholders in cash or by way of reinvestment. These distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

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

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(k) Receivables

Receivables may include amounts for trust distributions, interest and securities sold where settlement has not yet occurred. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each financial year 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.

2 Summary of significant accounting policies (continued)

(k) Receivables (continued)

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

(l) Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the financial year.

All redemptions are settled in 7 business days.

The distribution amount payable to unitholders as at the end of each financial year is recognised separately in the statement of financial position.

(m) 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 financial year. Trades are recorded on trade date, and for equities normally settled within three business days.

(n) Applications and redemptions

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

(o) Goods and services tax ("GST")

Expenses of various services provided to the Scheme by third parties such as custodial services and investment management fees are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Use of judgements and estimates

The preparation of the Scheme's financial statements requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, 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.

The Scheme's financial instruments are valued primarily based on the prices provided by independent pricing services, the relevant Investment Managers or reliable brokers' quotes, where appropriate.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgments and assumptions in establishing fair values.

2 Summary of significant accounting policies (continued)

(p) Use of judgements and estimates (continued)

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

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

In addition, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgments. 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, accounts payable and accounts receivable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(q) Comparatives

Where relevant, prior year comparatives have been reclassified to conform with current year's presentation.

(r) New accounting standards, interpretations and other authoritative pronouncements

There are no new accounting standards and other authoritative pronouncements that are expected to have a material impact on the Scheme.

(s) Other Legislative/government developments

Climate related and other emerging risk disclosure

Australian financial regulators have been focusing on the impacts and risks of climate change to the economy and on entities' future financial prospects. As such, the Task Force for Climate-related Financial Disclosures (TCFD) developed a set of framework and voluntary climate-related financial risk disclosures to help organisations evaluate and disclose, as part of their financial statement preparation and reporting processes, the climate-related risks and opportunities that are most pertinent to their business activities.

Financial regulators have agreed that climate-related risks are a potential source of systemic financial risk that need to be addressed to ensure the future stability and resilience of the financial system. This is leading to changes in supervisory expectations of financial services entites and to regulatory change. The directors will continue to monitor these developments and consider adoption once official guidance is issued.

(t) Foreign currency translation

(i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

(ii) Transactions and balances

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

2 Summary of significant accounting policies (continued)

(t) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

The Scheme does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(u) Rounding of amounts

The Scheme is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument* 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand, unless otherwise indicated.

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

	Year ended	
	30 June 2022	30 June 2021
	$'000	$'000
Net gains/(losses) on financial instruments at fair value through profit or loss	**34,422**	38,508
Total net gains/(losses) on financial instruments at fair value through profit or loss	**34,422**	38,508

4 Auditor's remuneration

During the financial year the following fees for services provided by the auditor of the Scheme were borne by the Responsible Entity:

	Year ended	
	30 June 2022	30 June 2021
	$	$
Ernst & Young		
Audit and other assurance services		
Audit of financial statements	**43,710**	37,672
Audit of compliance plan	**27,000**	26,672
Total remuneration for and other assurance services	**70,710**	64,344

5 Net assets attributable to unitholders

As stipulated within the Scheme Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right in the underlying assets of the Scheme. There are two separate classes of units and each unit has the same rights attached to it as all other units of the share class. Each unit class has a different management fee and performance fee rate. Refer to note 12 for further detail.

5 Net assets attributable to unitholders (continued)

Units are redeemed on demand at the unitholders' 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 financial year cannot be reliably determined.

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

	Year ended			
	30 June 2022 No.'000	30 June 2021 No.'000	**30 June 2022 $'000**	30 June 2021 $'000
Net assets attributable to unitholders - Unit Class A				
Balance as at 1 July	**176,366**	174,682	**260,264**	237,942
Applications	**46,689**	47,634	**69,725**	68,056
Redemptions	**(34,709)**	(50,495)	**(52,247)**	(71,881)
Units issued upon reinvestment of distributions	**2,367**	4,545	**3,493**	6,190
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**19,323**	19,957
Closing balance as at 30 June - Unit Class A	**190,713**	176,366	**300,558**	260,264
Net assets attributable to unitholders - Unit Class B				
Balance as at 1 July	**68,516**	53,301	**77,840**	56,966
Applications	**89,190**	45,089	**102,855**	49,941
Redemptions	**(31,990)**	(30,049)	**(37,551)**	(34,584)
Units issued upon reinvestment of distributions	**1,270**	175	**1,443**	187
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**6,808**	5,330
Closing balance as at 30 June - Unit Class B	**126,986**	68,516	**151,395**	77,840
Closing balance	**317,699**	244,882	**451,953**	338,104

Capital risk management

The Scheme considers 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 Scheme is subject to daily applications and redemptions at the discretion of unitholders.

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

6 Distributions to unitholders

The distributions for the financial year were as follows:

	Year ended			
	30 June 2022	**30 June 2022**	30 June 2021	30 June 2021
	$'000	**CPU**	$'000	CPU
Distributions Unit Class A				
30 June (payable)	**3,104**	**1.63**	8,712	4.94
	3,104	**1.63**	8,712	4.94
Distributions Unit Class B				
30 June (payable)	**4,507**	**3.55**	4,096	5.98
	4,507	**3.55**	4,096	5.98

7 Cash and cash equivalents

	As at	
	30 June 2022	30 June 2021
	$'000	$'000
Cash at bank	**6,917**	5,124
	6,917	5,124

8 Receivables

	As at	
	30 June 2022	30 June 2021
	$'000	$'000
Unsettled applications	**-**	374
GST recoverable	**20**	20
Total Receivables	**20**	394

9 Financial assets at fair value through profit or loss

	As at	
	30 June 2022	30 June 2021
	$'000	$'000
Financial assets at fair value through profit or loss		
Unlisted managed investment schemes	**455,085**	347,024
Total financial assets at fair value through profit or loss	**455,085**	347,024

10 Payables

	As at	
	30 June 2022	30 June 2021
	$'000	$'000
Accrued expenses	**87**	104
Unsettled redemption	**3,532**	1,526
Total Payables	**3,619**	1,630

11 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed.

Since most of the risk exposure is contained in the Underlying Fund, risk management relating to the underlying investments is performed at this level. Therefore, the risk disclosures have been prepared on the basis of the Scheme's direct investment and not a look through basis for investments held indirectly in the Underlying Fund.

The Scheme, via its investment in the Underlying Fund, uses different methods to measure different types of risk to which it is exposed. These methods included sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ratings analysis for credit risk, and maturity analysis for liquidity risk.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) to price risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimates, having regard to a number of factors, including the historical correlation of the Scheme's investments with the relevant

11 Financial risk management (continued)

(b) Market risk (continued)

benchmarks 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 shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

Price risk

Price risk is the risk that the fair value or future cash flows of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

During the financial year, the Scheme is exposed to price risk in relation to its shares in the Underlying Fund as prices in the future are uncertain. The shares in the Underlying Fund are classified on the statement of financial position as at fair value through profit or loss. The Scheme was exposed to price risk during the period through its investment in the Underlying Fund.

At 30 June 2022 and 2021, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2022		As at 30 June 2021	
	Increased by 10%	**Decreased by 10%**	Increased by 10%	Decreased by 10%
	$'000	**$'000**	$'000	$'000
Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	**45,509**	**(45,509)**	34,702	(34,702)

The analysis is performed on the same basis for 30 June 2022 and 2021.

Foreign exchange risk

The Scheme does not have a material direct exposure to foreign exchange risk based on the Scheme's investment in the Underlying Fund, which issues shares denominated in Australian dollars. Therefore at the Scheme level, there is no significant foreign exchange risk as the majority of its monetary assets and liabilities are denominated in Australian dollars.

Interest rate risk

The Scheme's exposure to interest rate risk is limited to cash at bank.

(c) 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.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and trade receivables.

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

11 Financial risk management (continued)

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk of the Underlying Fund are monitored by AHL Partners LLP (the "Investment Manager") to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

(i) Settlement of securities transactions

All transactions in listed securities 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 on purchase on the securities that have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

Substantially all of the cash held by the Scheme is held with State Street Bank and Trust Company. Bankruptcy or insolvency by State Street Bank and Trust Company may cause the Scheme's rights with respect to the cash held by State Street Bank and Trust Company to be delayed or limited. The Responsible Entity monitors the credit rating and financial position of State Street Bank and Trust Company on an ongoing basis. If the credit quality or the financial position of State Street Bank and Trust Company deteriorates significantly the Scheme will move the cash holdings to another bank.

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Underlying Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme's Constitution provides for the daily application and redemptions of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

Applications and redemptions are reviewed relative to the liquidity of the Scheme's Underlying Fund. Under the terms of the investment in the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust up to a period of 30 business days the redemption of units if the exercise of such discretion is in the best interest of the unitholders.

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
As at 30 June 2022				
Distributions payable	**7,611**	**-**	**-**	**-**
Payables	**3,619**	**-**	**-**	**-**
Net assets attributable to unitholders	**-**	**451,953**	**-**	**-**
Total financial liabilities	**11,230**	**451,953**	**-**	**-**

11 Financial risk management (continued)

(e) Liquidity risk (continued)

	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
As at 30 June 2021				
Distributions payable	12,808	-	-	-
Payables	1,630	-	-	-
Net assets attributable to unitholders	-	338,104	-	-
Total financial liabilities	14,438	338,104	-	-

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Scheme's financial assets and financial liabilities at the end of the financial year approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Note 2(p) outlines further the nature of management's judgments, estimates and assumptions that might have been used in the determination of the fair values of each class of these financial instruments.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds.

(g) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

All fair value measurements disclosed are recurring fair value measurements.

11 Financial risk management (continued)

(g) Fair value hierarchy (continued)

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at end of the financial year.

As at 30 June 2022	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Financial assets				
Unlisted managed investment schemes	**-**	**455,085**	**-**	**455,085**
Total	**-**	**455,085**	**-**	**455,085**

As at 30 June 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Unlisted managed investment schemes	-	347,024	-	347,024
Total	-	347,024	-	347,024

The pricing for the majority of the Scheme's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, eg recognised stock exchanges, and therefore classified within level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted unit trusts and corporate debt securities. As observable prices are not available for these securities, the Scheme has used valuation techniques to derive fair value.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Typically, prices of units in unlisted managed investment trusts that are either published on the Investment Manager's website and/or circulated among market participants as executable quotes are categorised as level 2.

Where a valuation model technique is used, the Scheme considers other liquidity, credit and market risk factors, and adjusts the model as deemed necessary. There have been no changes to the valuation techniques used for financial instruments classified as levels 2.

There was no transfer between levels during the financial year ended 30 June 2022 (2021: Nil).

12 Related party transactions

Responsible Entity

The Responsible Entity of Man AHL Alpha (AUD) Fund is Man Investments Australia Limited.

12 Related party transactions (continued)

Key management personnel

The names of the persons who were directors of the Responsible Entity at any time during the financial year and up to the date of this report are as follows:

Hersh Gandhi	
Oliver Stern	(resigned 16 September 2022)
Solomon Kuckelman	(appointed 16 September 2022)
Stephen Jordan	
Murray Steel	(resigned 25 May 2022)

Other transactions with the Scheme

From time to time directors of Man AHL Alpha (AUD) Fund, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

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

Responsible entity's fees and other transactions

(i) Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive a recoverable expense fee.

Recoverable expense fee was charged at 0.2% of the Scheme's net asset value, calculated as at the end of each month.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the financial year and any amounts payable outstanding at the end of the financial year between the Scheme and the Responsible Entity were as follows:

	30 June 2022	30 June 2021
	$	$
Recoverable expenses for the financial year paid by the Scheme	**679,612**	410,268
Recoverable expenses payable at the financial year end of the Scheme	**86,887**	103,348

(ii) Under the terms of the constitution, AHL Partners LLP, as the Investment Manager of the Underlying Fund, is entitled to charge a management fee. This fee is 1.5% per annum for Class A and up to 0.5% per annum for Class B of the net asset value of the underlying fund calculated daily. Additionally, the underlying fund is entitled to charge a performance fee equal to 20% for Class A and 25% for Class B based on an increase (if any) of the net asset value per share over the highest closing net asset value per share of the Underlying Fund.

Related party unitholdings

Parties related to the Scheme (including Man Investments Australia Limited, its related parties and other schemes managed by the Man Investments Australia Limited), held no units in the Scheme.

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

	Year ended	
	30 June 2022	30 June 2021
	$'000	$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Increase/(decrease) in net assets attributable to unitholders	**26,131**	25,287
Proceeds from sale of financial instruments at fair value through profit or loss	**35,753**	53,363
Purchase of financial instruments at fair value through profit or loss	**(110,553)**	(60,997)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(34,422)**	(38,508)
Net change in receivables	**-**	12
Net change in payables	**(17)**	(200)
Distributions to unitholders	**7,611**	12,808
Net cash inflow/(outflow) from operating activities	**(75,497)**	(8,235)
Components of cash and cash equivalents		
Cash as at the end of the financial year as shown in the Statement of cash flows is reconciled to the Statement of financial position as follows:		
Cash and cash equivalents	**6,917**	5,124
(b) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**4,936**	6,377

14 Events occurring after the financial year

Oliver Stern resigned as a director of Man Investments Australia Limited on 16 September 2022.

Solomon Kuckelman was appointed as a director of Man Investments Australia Limited on 16 September 2022.

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

15 Contingent assets and liabilities and commitments

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

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 7 to 27 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 Scheme's financial position as at 30 June 2022 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

(c) the financial statements are in accordance with the Scheme's Constitution.

(d) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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

Stephen Jordan
Director

Sydney
11 October 2022

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Independent Auditor's Report to the Unitholders of Man AHL Alpha (AUD) Fund

Opinion

We have audited the financial report of Man AHL Alpha (AUD) Fund (the Fund), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors of the Responsible Entity are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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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 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.

- Conclude on the appropriateness of the Directors of the Responsible Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Ernst & Young

E Reekie

Emma Reekie
Partner
Melbourne
11 October 2022