

GAM Systematic Alternative Risk Premia Plus AU

ARSN 624 373 646

Annual report

For the period 1 July 2022 to 15 June 2023

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This annual report covers GAM Systematic Alternative Risk Premia Plus AU as an individual entity.

The Responsible Entity of GAM Systematic Alternative Risk Premia Plus AU is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of GAM Systematic Alternative Risk Premia Plus AU (the "Fund"), present their report together with the financial statements of the Fund for the period 1 July 2022 to 15 June 2023.

Principal activities

Until its termination on 15 June 2023, the Fund invested primarily in Australian debt securities and financial derivative instruments to gain exposure to the four basic asset classes in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

During the period, all assets of the Fund were liquidated and returned to unit holders.

The Fund did not have any employees during the period.

Apart from the termination, there were no significant changes in the nature of the Fund's activities during the period.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	GAM International Management Limited
Custodian and Administrator	State Street Australia Limited
Statutory Auditor	Deloitte Touche Tohmatsu

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the period and up to the date of this report:

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

Review and results of operations

These are the final financial statements for the Fund, which has terminated.

During the period prior to its termination, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

Directors' report (continued)

Review and results of operations (continued)

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

	For the period 1 July 2022 to 15 June 2023	Year ended 30 June 2022
Profit/(loss) before finance costs attributable to unit holders for the financial period (\$)	5,452,307	20,528,720
Distributions - Class I Units		
Distributions paid and payable (\$)	2,123,795	195,342
Distributions (cents per unit)*	-	4.88
Distributions - Class F Units		
Distributions paid and payable (\$)	34,328,713	3,491,070
Distributions (cents per unit)*	-	5.71

*Distributions (cents per unit) excludes the special distribution paid in its calculation. The cents per unit figure for the special distribution is disclosed at Note 10 to the financial statements.

Significant changes in the state of affairs

David B Warren was appointed as a director of Equity Trustees Limited on 6 March 2023.

The Fund terminated on 15 June 2023 when all unit holders' entitlements were redeemed.

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 15 June 2023 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Fund; or
- (ii) the results of those operations; or
- (iii) the state of affairs of the Fund.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees 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.

Indemnification of auditor

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

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Fund property during the period are disclosed in Note 18 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the period.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 18 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 9 to the financial statements.

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

Environmental regulation

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

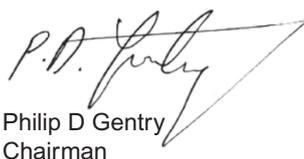
Rounding of amounts to the nearest dollar

Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

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 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
6 October 2023

06 October 2023

The Board of Directors
Equity Trustees Limited
Level 1, 575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members,

Independence Declaration – GAM Systematic Alternative Risk Premia Plus AU

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial report of GAM Systematic Alternative Risk Premia Plus AU (the "Fund").

As lead audit partner for the audit of the financial statements of the Fund for the period ended 15 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jon Corbett
Partner
Chartered Accountants

Statement of comprehensive income

		For the period 1 July 2022 to 15 June 2023	Year ended 30 June 2022
	Note	\$	\$
Investment income			
Interest income from financial assets at fair value through profit or loss		12,691	6,432,955
Net foreign exchange gain/(loss)		(3,639,728)	21,191,465
Net gains/(losses) on financial instruments at fair value through profit or loss		8,752,043	(2,971,791)
Other income	16	<u>696,389</u>	<u>175,292</u>
Total investment income/(loss)		<u>5,821,395</u>	<u>24,827,921</u>
Expenses			
Management fees and costs		194,876	379,597
Performance fees	18	-	2,053,903
Interest expense from financial assets at amortised cost		73,906	693,678
Transaction costs		73,119	1,071,818
Other expenses	17	<u>27,187</u>	<u>100,205</u>
Total expenses		<u>369,088</u>	<u>4,299,201</u>
Profit/(loss) before finance costs attributable to unit holders for the financial period		<u>5,452,307</u>	<u>20,528,720</u>
Finance costs attributable to unit holders			
Distributions to unit holders	10	(36,452,508)	(3,686,412)
(Increase)/decrease in net assets attributable to unit holders	9	<u>31,000,201</u>	<u>(16,842,308)</u>
Profit/(loss) for the financial period		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Total comprehensive income for the financial period		<u>-</u>	<u>-</u>

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

Statement of financial position

		As at	
	Note	15 June 2023	30 June 2022
		\$	\$
Assets			
Cash and cash equivalents	11	-	6,859,127
Receivables	13	-	225,251
Financial assets at fair value through profit or loss	6	-	67,886,965
Margin accounts		-	14,695,302
Total assets		-	89,666,645
Liabilities			
Distributions payable	10	-	3,686,413
Payables	14	-	2,118,429
Financial liabilities at fair value through profit or loss	7	-	28,146,202
Total liabilities (excluding net assets attributable to unit holders)		-	33,951,044
Net assets attributable to unit holders - liability		-	55,715,601

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

Statement of changes in equity

	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 \$
Total equity at the beginning of the financial period	-	-
Comprehensive income for the financial period		
Profit/(loss) for the financial period	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial period*	-	-

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial period.

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

Statement of cash flows

	Note	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		499,962,330	11,637,587,187
Payments for purchase of financial instruments at fair value through profit or loss		(451,233,421)	(11,287,354,839)
Net foreign exchange gain/(loss)		(3,624,128)	21,192,000
Net movement in margin accounts		14,695,302	88,696,281
Interest income received from financial assets at fair value through profit or loss		-	4,606,133
Other income received		826,656	159,575
Management fees and costs paid		(194,876)	(413,533)
Performance fees paid		(2,053,903)	-
Other expenses paid		(364,580)	(1,811,709)
Net cash inflow/(outflow) from operating activities	12(a)	<u>58,013,380</u>	<u>462,661,095</u>
Cash flows from financing activities			
Proceeds from applications by unit holders		178,103	11,324,567
Payments for redemptions by unit holders		(28,387,159)	(529,706,059)
Distributions paid to unit holders		(36,647,851)	-
Net cash inflow/(outflow) from financing activities		<u>(64,856,907)</u>	<u>(518,381,492)</u>
Net increase/(decrease) in cash and cash equivalents		(6,843,527)	(55,720,397)
Cash and cash equivalents at the beginning of the financial period		6,859,127	62,579,524
Effect of foreign currency exchange rate changes on cash and cash equivalents		(15,600)	-
Cash and cash equivalents at the end of the financial period	11	<u>-</u>	<u>6,859,127</u>
Non-cash operating and financing activities	12(b)	3,491,070	-

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

Notes to the financial statements

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1 General information

These financial statements cover GAM Systematic Alternative Risk Premia Plus AU (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 9 February 2018. The Fund terminated its operations on 15 June 2023 when all assets of the Fund were realised and all units were redeemed out of the Fund.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the “Responsible Entity”). The Responsible Entity’s registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

Until its termination on 15 June 2023, the Fund invested primarily in Australian debt securities and financial derivative instruments to gain exposure to the four basic asset classes in accordance with the Product Disclosure Statement and the provisions of the Fund’s Constitution.

The 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 financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all 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 and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

As the Fund was terminated on 15 June 2023, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non-going concern basis. The non-going concern basis means assets have been written down to the lower of their carrying amounts and net realisable value and additional liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. As there were no assets or liabilities at the reporting date, adopting the non-going concern basis did not change the carrying amounts of any assets or liabilities.

New and amended standards adopted by the Fund

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

(b) Financial instruments

(i) Classification

- Financial assets

Until its termination, the Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund’s portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund’s documented investment strategy. The Fund’s policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(i) Classification (continued)

For derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, receivables and margin accounts, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

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

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, interest payable, redemptions payable and performance fees payable).

(ii) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(iii) Measurement

- Financial instruments at fair value through profit or loss

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

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

For further details on how the fair value of financial instruments is determined please see Note 5 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, margin accounts and receivables are carried at amortised cost.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Impairment

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, receivables and margin accounts) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that 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 amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has 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.

Financial assets and liabilities that have been offset are disclosed in Note 4.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

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

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

(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 and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

2 Summary of significant accounting policies (continued)

(e) Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

(f) Investment income

(i) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(g) Expenses

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

Management fees and costs covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

Interest expense from financial liability at amortised cost is recognised using the effective interest method and includes interest expenses from the credit facility.

(h) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The benefits of any imputation credits and foreign tax paid are passed on to unit holders. The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

(i) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

2 Summary of significant accounting policies (continued)

(j) Increase/decrease in net assets attributable to unit holders

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

(k) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund'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 Fund competes for funds and is regulated. The Australian dollar is also the Fund'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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

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

(l) Receivables

Receivables may include amounts for interest. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

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

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(n) Applications and redemptions

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

2 Summary of significant accounting policies (continued)

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Use of estimates and judgements

The Fund made estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Fund estimates that the resultant expected credit loss (ECL) derived from using impairment model, has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

(q) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

(r) Comparative revisions

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

3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and debt securities is limited to the fair value of those positions. The maximum loss of capital on long futures and forward currency contracts is limited to the notional contract values of those positions.

3 Financial risk management (continued)

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, GAM International Management Limited (GIM) under an Investment Management Agreement (the “IMA”) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

Market risk was managed in several ways. Firstly, the Fund’s Product Disclosure Statement details the investment strategy and guidelines of the Fund and the GIM fund managers make investments and monitor the portfolio in order to ensure that the Fund adheres to the Product Disclosure Statement requirements at all times. Secondly, the GIM managers calculate the Fund’s VaR on a regular basis where VaR estimates the potential loss over a given holding period for a specified confidence level. The VaR methodology is a statistically defined probability measure which takes into account market volatilities as well as the diversification obtained through offsetting positions and correlations between products and markets. Thirdly, the risk managers calculate exposure sensitivities to a range of risk factors (such as interest rates and currencies) and subject the portfolio to stress tests so that the fund managers can gauge how the portfolio is likely to react to given changes in the markets.

(i) Price risk

The Fund was exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The Investment Manager uses a number of quantitative techniques to assess the impact of market risks including credit events, changes in interest rates, credit spreads and recovery values on the Fund’s investment portfolio. The Investment Manager uses Value at Risk (“VaR”) analysis, a technique widely used by financial institutions to quantify, assess, and report market risks. VaR is a statistical framework that supports the quantification of market risk within a portfolio at a specified confidence interval over a defined holding period. VaR seeks to quantify the expected maximum dollar losses that may result from the interactive behaviour of all material market prices, spreads, volatilities, and rates based on the historically observed relationships between these markets.

Although the use of derivatives (whether for hedging or investment purposes) may give rise to additional leveraged exposure, any such additional exposure will be covered and will be risk managed using the VaR methodology. The Investment Manager monitors portfolio risk using market factor exposures on a daily basis.

Potential market risk is calculated using the factor model approach. VaR is calculated and reported automatically each day using the closing prices and market information of the most recent business day. Depending on the application of the risk statistics, various confidence levels (such as 99%) and time horizons (weeks, months, or year) might be selected.

In addition to daily VaR measures, three types of stress tests are also conducted for each Fund. The first test includes scenario duration tests that measure what happens to the value of the portfolio if unexpected movements in yields occur in the market. The second test involves a database of historical crisis scenarios that can be executed to test reactions to these crisis. The historical crisis scenarios contain many unexpected changes in market conditions and correlation matrices. The third test involves correlation matrices which can be manipulated manually to reflect conditions that may happen in the future but have not happened so far.

The daily VaR measures for the portfolios are an estimate, using a confidence level of 99%, of the potential worst case portfolio loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one month. The use of a 99% confidence level means that, within a one month horizon, losses exceeding the VaR figure should not occur, on average, more than once every one hundred months. For example when a portfolio is estimated to have a VaR of \$1 million over a monthly horizon at the 99 percent confidence level, under normal market conditions, the expected

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

losses should not exceed \$1 million over the next eight year period (with 99% probability). There were no financial assets and financial liabilities at the end of the current reporting period. The following table sets out the potential maximum monthly risk of loss for the portfolios as at 30 June 2022 as indicated by the VaR model:

	As at 15 June 2023		As at 30 June 2022	
	VaR (\$A)	% of net assets	VaR (\$A)	% of net assets
GAM Systematic Alternative Risk Premia Plus AU	-	-	14,238,593	25.74

Not all risks to which the portfolio may be exposed are intended to be captured by the VaR and, in particular, the framework does not seek to capture liquidity risk, counterparty credit risk, or extreme credit events such as an issuer default. In practice, the actual trading results will differ from the VaR and may not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored to test the validity of the assumptions and parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Fund would withstand an extreme market event.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar.

Foreign exchange risk arises as the value of monetary securities denominated in foreign currencies fluctuate due to changes in exchange rates.

The Fund may hold assets denominated in currencies other than AUD, the functional currency. It may therefore be exposed to currency risk, as the value of the securities denominated in other currencies may fluctuate due to changes in exchange rates. The Investment Manager monitors the Fund's currency risk exposure and may utilise hedging techniques in order to remove or reduce currency risks within the Fund.

(iii) Interest rate risk

The Fund was exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest bearing financial instruments expose them to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

Interest rate risk is managed as part of price risk and measured using VaR analysis.

There were no financial assets and financial liabilities at the end of the current reporting period.

The table below summarises the Fund's exposure to interest rate risk as at 30 June 2022.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

As at 30 June 2022	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	6,859,127	-	-	6,859,127
Receivables	-	-	225,251	225,251
Financial assets at fair value through profit or loss	-	8,966,736	58,920,229	67,886,965
Margin accounts	<u>14,695,302</u>	<u>-</u>	<u>-</u>	<u>14,695,302</u>
Total financial assets	<u>21,554,429</u>	<u>8,966,736</u>	<u>59,145,480</u>	<u>89,666,645</u>
Financial liabilities				
Distributions payable	-	-	3,686,413	3,686,413
Payables	-	-	2,118,429	2,118,429
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>365,521</u>	<u>27,780,681</u>	<u>28,146,202</u>
Total financial liabilities (excluding net assets attributable to unit holders)	<u>-</u>	<u>365,521</u>	<u>33,585,523</u>	<u>33,951,044</u>
Net increase/(decrease) in exposure from fixed interest futures (notional principal)	<u>73,630,339</u>	<u>(73,630,339)</u>	<u>-</u>	<u>-</u>
Net exposure	<u>95,184,768</u>	<u>(65,029,124)</u>	<u>25,559,957</u>	<u>55,715,601</u>

(b) Credit risk

The Fund was exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2022, all receivables, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher and are either callable on demand or due to be settled within 1 week. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Debt securities

The Fund invested primarily in investment grade securities. The Fund may also invest in unrated assets where a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies. In order to monitor the credit quality of the unrated assets, the Investment Manager, on the basis of internal research, may prepare its own shadow ratings for the various instruments for which publicly available credit ratings are not available.

3 Financial risk management (continued)

(b) Credit risk (continued)

An analysis of debt by rating is set out in the table below.

	As at	
	15 June 2023	30 June 2022
	\$	\$
Australian debt securities rating		
AAA	-	8,198,480
Total	-	8,198,480

The debt security holdings are AUD denominated.

There are no significant concentrations of credit risk to counterparties at 15 June 2023.

(c) Liquidity risk

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

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests.

The Investment Manager monitors and manages the level of liquidity in the Fund.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Responsible Entity did not reject or withhold any redemptions during 2023 and 2022.

(i) Maturities of non-derivative financial liabilities

There were no non-derivative financial liabilities at the end of the current reporting period.

(ii) Maturities of net settled derivative financial instruments

There were no derivative financial liabilities at the end of the current reporting period.

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity as at 30 June 2022. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Non- stated maturity	Total
	\$	\$	\$	\$	\$	\$
As at 30 June 2022						
Net settled derivatives						
Forward currency contracts	(2,353,279)	-	-	-	-	(2,353,279)
Swaps contracts	(47,783)	51,117	-	(189,504)	-	(186,170)
Futures contracts	45,172,538	(10,894,275)	(196,305)	-	-	34,081,958
Contracts for difference	-	-	-	-	(226)	(226)
Total net settled derivatives	<u>42,771,476</u>	<u>(10,843,158)</u>	<u>(196,305)</u>	<u>(189,504)</u>	<u>(226)</u>	<u>31,542,283</u>

4 Offsetting financial assets and financial liabilities

There were no financial assets and financial liabilities as at 15 June 2023.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position as at 30 June 2022 are disclosed in the first three columns of the table below.

	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral received/pledged	Net amount
	\$	\$	\$	\$	\$	\$
As at 30 June 2022						
Financial assets						
Derivative financial instruments	59,688,486	-	59,688,486	(25,586,869)	-	34,101,617
Total	<u>59,688,486</u>	<u>-</u>	<u>59,688,486</u>	<u>(25,586,869)</u>	<u>-</u>	<u>34,101,617</u>
Financial liabilities						
Derivative financial instruments	28,146,202	-	28,146,202	(25,586,869)	(2,542,783)	16,550
Total	<u>28,146,202</u>	<u>-</u>	<u>28,146,202</u>	<u>(25,586,869)</u>	<u>(2,542,783)</u>	<u>16,550</u>

(a) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds do not presently have a legally enforceable right of set-off, these amounts have not been offset in the statements of financial position, but have been presented separately in the above table.

5 Fair value measurement

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

- Financial assets/liabilities at fair value through profit or loss (see Note 6 and Note 7)
- Derivative financial instruments (see Note 8)

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

5 Fair value measurement (continued)

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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) 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.

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)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

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

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

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

(c) Recognised fair value measurements

There were no financial assets and financial liabilities as at 15 June 2023.

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2022.

As at 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Forward currency contracts	-	2,989,984	-	2,989,984
Swaps contracts	-	51,117	-	51,117
Futures contracts	55,824,777	-	-	55,824,777
Contracts for differences	-	822,607	-	822,607
Fixed interest securities	-	8,198,480	-	8,198,480
Total financial assets	<u>55,824,777</u>	<u>12,062,188</u>	<u>-</u>	<u>67,886,965</u>

5 Fair value measurement (continued)

As at 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial liabilities				
Forward currency contracts	-	5,343,263	-	5,343,263
Swaps contracts	-	237,287	-	237,287
Futures contracts	21,742,819	-	-	21,742,819
Contracts for differences	-	822,833	-	822,833
Total financial liabilities	<u>21,742,819</u>	<u>6,403,383</u>	<u>-</u>	<u>28,146,202</u>

(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 in the fair value hierarchy at the end of the reporting period.

(e) Financial instruments not carried at fair value

The financial instruments not measured at fair value through profit or loss include:

- i. Cash and cash equivalents, balances due from/to brokers and receivables/payables under sale and repurchase agreements. These are short-term financial assets and financial liabilities whose carrying approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amounts of net assets attributable to unitholders approximates their fair value. Any difference is not material in the current year or prior year.

6 Financial assets at fair value through profit or loss

	As at	
	15 June 2023 \$	30 June 2022 \$
Derivatives	-	59,688,485
Fixed interest securities	-	8,198,480
Total financial assets at fair value through profit or loss	<u>-</u>	<u>67,886,965</u>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

7 Financial liabilities at fair value through profit or loss

	As at	
	15 June 2023	30 June 2022
	\$	\$
Derivatives	-	28,146,202
Total financial liabilities at fair value through profit or loss	-	28,146,202

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

8 Derivative financial instruments

In the normal course of business, the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

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

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that is advantageous to increase the investment capacity of a Fund or to facilitate the clearance of transactions. Leverage creates opportunity for greater total returns for the Fund, but it also may magnify losses. The use of derivatives may also create leverage risk.

To mitigate leverage risk, the Fund will set aside cash or cash equivalents that the Investment Manager reasonably believes to be sufficient to cover net long exposures resulting from swap, bond futures and forward positions held in the Fund. Cash equivalents are defined as Investment Grade securities (minimum S&P/Moody's rating of A3/P3, or equivalent) with a duration of 1 year or less. To the extent the Fund's net long positions are 'covered' by cash or cash equivalents, the Fund will be deemed not to be leveraged.

The Fund held the following derivatives:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

8 Derivative financial instruments (continued)

(b) Forward currency contracts

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

(c) Swaps

An interest rate swap is an agreement between two parties to exchange their interest obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

A credit default swap is an agreement whereby one counterparty pays a regular fee, usually expressed as a percentage of the notional principal, to another counterparty in return for security against default by the underlying loan or asset.

The fair value of interest rate swaps is the estimated amount that the Fund would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

(d) Contracts for differences

An equity derivative or contract for difference is an agreement to exchange the difference in value of a particular share between the time at which a contract is opened and the time at which it is closed.

The value of equity derivatives is based on the price of a stock index or common stock.

There were no derivative financial instruments held as at 15 June 2023.

The Fund's derivative financial instruments measured at fair value at 30 June 2022 is detailed below:

As at 30 June 2022

	Contractual/ notional	Assets	Liabilities
	\$	\$	\$
Forward currency contracts	261,059,863	2,989,984	5,343,263
Swaps contracts	6,357,388	51,117	237,287
Futures contracts	205,784,690	55,824,777	21,742,819
Contracts for differences	<u>65,194,488</u>	<u>822,607</u>	<u>822,833</u>
Total derivatives	<u>538,396,429</u>	<u>59,688,485</u>	<u>28,146,202</u>

Information about the Fund's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

9 Net assets attributable to unit holders - liability

The Fund's units were classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the period were as follows:

	For the period 1 July 2022 to 15 June 2023 Units	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 Units	Year ended 30 June 2022 \$
Class A Units				
Opening balance	-	-	415,211,442	382,605,473
Applications	-	-	8,164,149	7,500,000
Redemptions	-	-	(423,375,591)	(402,963,741)
Transfer out	-	-	-	(398,800)
Increase/(decrease) in net assets attributable to unit holders	-	-	-	13,257,068
Closing balance	-	-	-	-
Class I Units				
Opening balance	4,005,296	3,348,293	2,889,506	2,535,233
Applications	209,609	178,103	1,262,374	1,092,067
Redemptions	(4,214,905)	(1,707,929)	(146,584)	(127,629)
Transfer in	-	-	-	23,966
Increase/(decrease) in net assets attributable to unit holders	-	(1,818,467)	-	(175,344)
Closing balance	-	-	4,005,296	3,348,293
Class F Units				
Opening balance	61,161,004	52,367,308	191,797,499	172,115,838
Applications	-	-	3,166,856	2,732,500
Redemptions	(65,267,662)	(26,676,644)	(133,803,351)	(126,616,448)
Reinvestment of distributions	4,106,658	3,491,070	-	-
Transfer in	-	-	-	374,834
Increase/(decrease) in net assets attributable to unit holders	-	(29,181,734)	-	3,760,584
Closing balance	-	-	61,161,004	52,367,308
Closing balance		-		55,715,601

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

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

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

9 Net assets attributable to unit holders - liability (continued)

Capital risk management

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

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

10 Distributions to unit holders

The distributions declared during the period were as follows:

	For the period 1 July 2022 to 15 June 2023 \$	For the period 1 July 2022 to 15 June 2023 CPU	Year ended 30 June 2022 \$	Year ended 30 June 2022 CPU
Distributions - Class I Units				
October*	2,098,890	-	-	-
January*	24,905	-	-	-
June (payable)	-	-	195,342	4.88
Total distributions	<u>2,123,795</u>	-	<u>195,342</u>	-
Distributions - Class F Units				
October*	34,015,478	-	-	-
January*	313,235	-	-	-
June (payable)	-	-	3,491,070	5.71
Total distributions	<u>34,328,713</u>	-	<u>3,491,070</u>	-
Total distributions	<u>36,452,508</u>	-	<u>3,686,412</u>	-

*The October 2022 distribution (CPU: 59.52) and January 2023 distribution (CPU: 4.00) for class I and the October 2022 distribution (CPU: 61.31) and January 2023 distribution (CPU: 3.20) for class F represent special distributions paid by the Fund due to unit holder redemptions of greater than 5% of the net assets of the Fund. Due to these redemptions, as outlined in the Product Disclosure Statement, a portion of the withdrawal proceeds represented distributable income to the redeeming unit holder. Refer to the Fund's Product Disclosure Statement for details on special distributions.

11 Cash and cash equivalents

	As at	
	15 June 2023 \$	30 June 2022 \$
Cash at bank	-	6,859,127
Total cash and cash equivalents	<u>-</u>	<u>6,859,127</u>

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

	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 \$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the financial period	-	-
Increase/(decrease) in net assets attributable to unit holders	(31,000,201)	16,842,308
Distributions to unit holders	36,452,508	3,686,412
Proceeds from sale of financial instruments at fair value through profit or loss	499,962,330	11,637,587,187
Payments for purchase of financial instruments at fair value through profit or loss	(451,233,421)	(11,287,354,839)
Net (gains)/losses on financial instruments at fair value through profit or loss	(8,752,043)	2,971,791
Net foreign exchange (gain)/loss	15,600	535
Net interest bought/(sold)	(226,630)	(2,855,063)
Net movement in margin accounts	14,695,302	88,696,281
Net change in receivables	215,778	1,012,524
Net change in payables	(2,115,843)	2,073,959
Net cash inflow/(outflow) from operating activities	58,013,380	462,661,095
(b) Non-cash operating and financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	3,491,070	-
Total non-cash operating and financing activities	3,491,070	-

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

13 Receivables

	As at	
	15 June 2023 \$	30 June 2022 \$
Interest receivable	-	85,511
GST receivable	-	8,032
Management fees and costs reimbursement receivable	-	122,235
Swap income receivable	-	9,473
Total receivables	-	225,251

14 Payables

	As at	
	15 June 2023	30 June 2022
	\$	\$
Interest payable	-	790
Redemptions payable	-	2,586
Performance fees payable	-	2,053,903
Other payables	-	61,150
Total payables	<u>-</u>	<u>2,118,429</u>

15 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditors of the Fund:

	For the period 1 July 2022 to 15 June 2023	Year ended 30 June 2022
	\$	\$
Deloitte Touche Tohmatsu		
<i>Audit and other assurance services</i>		
Audit of financial statements	<u>13,390</u>	<u>20,849</u>
Total auditor remuneration and other assurance services	<u>13,390</u>	<u>20,849</u>
<i>Taxation services</i>		
Tax compliance services	<u>7,992</u>	<u>12,737</u>
Total remuneration for taxation services	<u>7,992</u>	<u>12,737</u>
Total remuneration of Deloitte Touche Tohmatsu	<u>21,382</u>	<u>33,586</u>
PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
Audit of compliance plan	-	2,342
Total auditor remuneration and other assurance services	-	2,342
Total remuneration of PricewaterhouseCoopers	-	2,342

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

16 Other income

	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 \$
Other income	625	97,698
Management fee reimbursement	152,397	77,594
Compensation income on trades	<u>543,367</u>	<u>-</u>
Total other income	<u>696,389</u>	<u>175,292</u>

17 Other expenses

	For the period 1 July 2022 to 15 June 2023 \$	Year ended 30 June 2022 \$
Compensation expenses on trades	6,152	-
Other expenses	<u>21,035</u>	<u>100,205</u>
Total other expenses	<u>27,187</u>	<u>100,205</u>

18 Related party transactions

The Responsible Entity of GAM Systematic Alternative Risk Premia Plus AU is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to GAM International Management Limited to act as Investment Manager for the Fund and State Street Australia Limited to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the period and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	
David B Warren	(appointed 6 March 2023)

(ii) Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

(iii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial period.

18 Related party transactions (continued)

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 15 June 2023 (30 June 2022: nil).

(d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

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

(f) Other transactions within the Fund

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

(g) Responsible Entity fees, Investment Manager's fees and other transactions

The transactions during the period and amounts payable as at period end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	For the period 1 July 2022 to 15 June 2023	Year ended 30 June 2022
	\$	\$
Responsible Entity fees for the financial period	57,743	182,408
Management fees reimbursement received for the financial period	152,397	77,594
Performance fees for the financial period	-	2,053,903
Management fees reimbursement receivable at financial period end	-	122,235
Performance fees payable at financial period end	-	2,053,903

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs included responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

Management fees reimbursed represent monies put into the Fund to ensure that the Fund's overall management costs remain within that disclosed in the Product Disclosure Statement.

Under the terms of the Fund's Constitution and Product Disclosure Statement, the Investment Manager is also entitled to receive a performance fee in relation to the performance of the fund.

18 Related party transactions (continued)

(h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 15 June 2023 (30 June 2022: nil).

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties as at 15 June 2023 (2022: nil).

19 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 disclosed in the statement of financial position as at 15 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

20 Contingent assets and liabilities and commitments

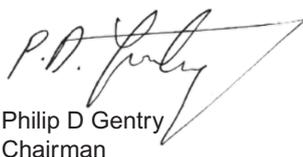
There were no outstanding contingent assets, liabilities or commitments as at 15 June 2023 and 30 June 2022.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 32 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 15 June 2023 and of its performance for the financial period ended on that date.
- (b) As outlined in Note 1 to the financial statements, the Fund terminated its operations on 15 June 2023 and all units were redeemed out of the Fund.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
6 October 2023

Independent Auditor's Report to the Unit Holders of GAM Systematic Alternative Risk Premia Plus AU

Opinion

We have audited the financial report of GAM Systematic Alternative Risk Premia Plus AU (the "Fund") which comprises the statement of financial position as at 15 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 1 July 2022 to 15 June 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (i) giving a true and fair view of the Fund's financial position as at 15 June 2023 and of its financial performance for the period from 1 July 2022 to 15 June 2023; and
- (ii) 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 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report for the period from 1 July 2022 to 15 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report which includes the non-going concern basis of accounting, is appropriate to meet the requirements of Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes 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.

The Directors of the Fund 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.

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 judgement 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.
- Conclude on the appropriateness of the Directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 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.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Jon Corbett".

Jon Corbett
Partner
Chartered Accountants

Melbourne, 6 October 2023