

# **Core Value Portfolio**

ARSN 162 396 885

## **Annual report**

**For the year ended 30 June 2024**

# Core Value Portfolio

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## Annual report For the year ended 30 June 2024

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This annual report covers Core Value Portfolio as an individual entity.

The Responsible Entity of Core Value Portfolio 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 Core Value Portfolio (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Principal activities

The Fund invests in listed equity securities, listed and unlisted managed investment funds and derivatives in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Core Value Asset Management Pty Ltd
Custodian and Administrator	BNP Paribas
Statutory Auditor	Ernst & Young

### Directors

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

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)

### Review and results of operations

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

The Fund's performance was 5.60% (net of fees) for the year ended 30 June 2024. The Fund's benchmark, 30 day Australian Bank Bill Return returned 4.20% for the same period.

The Fund's NAV unit price is used for the purposes of performance return calculation methodology and represents the combined income and capital returns. The returns are pre-tax, net of fees and costs and assume the reinvestment of distributions

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

	Year ended	
	30 June 2024	30 June 2023
Profit/(loss) for the year (\$'000)	6,927	8,120
Distributions paid and payable (\$'000)	3,508	3,874
Distributions (cents per unit)	3.05	3.16

## Directors' report (continued)

### Significant changes in the state of affairs

Andrew P Godfrey was appointed as a director of Equity Trustees Limited on 1 May 2024.

Philip D Gentry resigned as a director of Equity Trustees Limited on 6 June 2024.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the year ended 30 June 2024.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may have a significantly effect on:

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

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

### Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regard 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 Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

### 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 year are disclosed in Note 16 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 to the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year 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 thousand dollars

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

## 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 5.

This report 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.



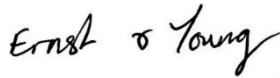
Andrew P Godfrey  
Director

Melbourne  
25 September 2024

## Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Core Value Portfolio

As lead auditor for the audit of the financial report of Core Value Portfolio for the financial year ended 30 June 2024, 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



Jonathan Hall  
Partner  
25 September 2024

## Statement of comprehensive income

		<b>Year ended</b>	
		<b>30 June</b>	<b>30 June</b>
	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Interest income from financial assets at amortised cost		76	90
Dividend and distribution income		5,897	5,083
Net gains/(losses) on financial instruments at fair value through profit or loss		1,956	3,865
Other income		148	150
<b>Total income/(loss)</b>		<b>8,077</b>	<b>9,188</b>
<b>Expenses</b>			
Management fees and costs	16	768	1,061
Performance fees	16	120	-
Transaction costs		42	-
Other expenses		220	7
<b>Total expenses</b>		<b>1,150</b>	<b>1,068</b>
<b>Profit/(loss) for the year</b>		<b>6,927</b>	<b>8,120</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>6,927</b>	<b>8,120</b>

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

## Statement of financial position

		30 June 2024 \$'000	As at 30 June 2023 \$'000
	Note		
<b>Assets</b>			
Cash and cash equivalents	11	1,272	1,731
Receivables	13	3,017	2,564
Due from brokers - receivable for securities sold		-	2,500
Financial assets at fair value through profit or loss	5	122,677	125,852
Margin accounts		666	-
<b>Total assets</b>		<u>127,632</u>	<u>132,647</u>
<b>Liabilities</b>			
Distributions payable	10	3,508	3,874
Payables	14	163	149
Financial liabilities at fair value through profit or loss	6	25	126
<b>Total liabilities</b>		<u>3,696</u>	<u>4,149</u>
<b>Net assets attributable to unit holders - equity</b>	9	<u>123,936</u>	<u>128,498</u>

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



## Statement of changes in equity

		Year ended	
		30 June 2024	30 June 2023
	Note	\$'000	\$'000
<b>Total equity at the beginning of the financial year</b>		<b>128,498</b>	141,905
<b>Comprehensive income for the financial year</b>			
Profit/(loss) for the year		<b>6,927</b>	8,120
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>6,927</b>	8,120
<b>Transactions with unit holders</b>			
Applications	9	<b>11,157</b>	11,408
Redemptions	9	<b>(19,138)</b>	(29,062)
Reinvestment of distributions	9	-	1
Distributions paid and payable	9	<b>(3,508)</b>	(3,874)
<b>Total transactions with unit holders</b>		<b>(11,489)</b>	(21,527)
<b>Total equity at the end of the financial year</b>	9	<b>123,936</b>	128,498

*The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2(c) and 9.*

## Statement of cash flows

		Year ended	
		30 June 2024	30 June 2023
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		41,608	51,610
Payments for purchase of financial instruments at fair value through profit or loss		(33,958)	(42,153)
Net movement in margin accounts		(666)	-
Interest income received from financial assets at amortised cost		82	81
Dividends and distributions received		5,444	8,401
GST received/(paid)		(6)	394
Other income received		28	19
Management fees and costs paid		(754)	(1,038)
Performance fees paid		(120)	-
Transaction costs paid		(42)	-
Other expenses paid		(220)	(7)
<b>Net cash inflow/(outflow) from operating activities</b>	12(a)	<u>11,396</u>	<u>17,307</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		11,157	11,408
Payments for redemptions by unit holders		(19,138)	(29,327)
Distributions paid to unit holders		(3,874)	(7,086)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(11,855)</u>	<u>(25,005)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(459)</b>	<b>(7,698)</b>
Cash and cash equivalents at the beginning of the year		<u>1,731</u>	<u>9,429</u>
<b>Cash and cash equivalents at the end of the year</b>	11	<u>1,272</u>	<u>1,731</u>
Non-cash financing and operating activities	12(b)	120	468

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 Core Value Portfolio (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 8 April 2013 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

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.

The Fund invests in listed equity securities, listed and unlisted managed investment funds and derivatives 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 material 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 years presented, unless otherwise stated in the following text.

### **a. Basis of preparation**

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

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

### **i. Compliance with International Financial Reporting Standards (IFRS)**

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

### **ii. New and amended standards adopted by the Fund**

The Fund has applied the following standards and amendments for the first time for its financial year beginning 1 July 2023:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].*

The amendments have had an impact on the Fund's disclosures of accounting policies, including the requirement to disclose 'material' rather than 'significant' accounting policies, but not on the measurement, recognition or presentation of any items in the Fund's financial statements.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

### **iii. New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

## 2. Summary of material accounting policies (continued)

### b. Financial instruments

#### i. Classification

- Financial assets

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 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.

For equity securities and 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 cash and cash equivalents and receivables, 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 flow 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, management fees and costs 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 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 financial 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 4 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 and receivables are carried at amortised cost.

## 2. Summary of material 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, 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 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

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

The Fund's units are classified as equity as they satisfy the following criteria under *AASB 132 Financial Instruments: Presentation*:

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

### d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include 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 material accounting policies (continued)

### e. Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions and short sales. 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. 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.

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.

#### ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlements basis.

### g. Expenses

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

As per the Fund's Product Disclosure Statement (PDS), ordinary expenses such as investment management fees, Responsible Entity fees, custodian and administration fees, audit fees and other ordinary expenses of operating the Fund are covered by the management fees and costs.

### 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 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 changes in equity.

## 2. Summary of material accounting policies (continued)

### j. 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 year 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.

### k. Due from/to brokers

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

### l. Receivables

Receivables may include amounts for dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. 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.

### 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.



## 2. Summary of material accounting policies (continued)

### p. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

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.

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.

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.

For more information on how fair value is calculated refer to Note 4 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 off to the nearest thousand dollars 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 year.

## 3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and cash flow and fair value 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 to 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 is limited to the fair value of those positions. The maximum loss of capital on long futures and options is limited to the notional contract value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Core Value Asset Management Pty Ltd under an Investment Management Agreement (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

#### i. Price risk

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

The table in Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/-10% (2023: +/-10%).

### 3. Financial risk management (continued)

#### a. Market risk (continued)

##### ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets and liabilities denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by the use of derivatives (foreign currency exchange forwards), which aims to limit the effect of currency movements between the Australian dollar and other currencies.

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	US Dollars
	A\$'000
<b>As at 30 June 2024</b>	
Cash and cash equivalents	<u>31</u>
<b>Net exposure</b>	<u>31</u>
<b>Notional exposure from forward currency contracts</b>	
- Sell foreign currency	<u>(14,225)</u>
<b>Net exposure including forward currency contracts</b>	<u>(14,194)</u>
<b>As at 30 June 2023</b>	
Cash and cash equivalents	<u>30</u>
<b>Net exposure</b>	<u>30</u>
<b>Notional exposure from forward currency contracts</b>	
- Buy foreign currency	1,803
- Sell foreign currency	<u>(13,521)</u>
<b>Net exposure including forward currency contracts</b>	<u>(11,688)</u>

The table in Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by +/-10.0% (2023: +/-10.0%) against the material foreign currencies to which the Fund is exposed.

##### iii. Cash flow and fair value interest rate risk

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

The Fund's main interest rate risk arises from its holdings in cash and cash equivalents.

#### b. Summarised sensitivity analysis

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

### 3. Financial risk management (continued)

#### b. Summarised sensitivity analysis (continued)

##### Impact on operating profit/net assets attributable to unit holders

	Price risk		Foreign exchange risk		Cash flow and fair value interest rate risk	
	+10%	-10%	+10.0%	-10.0%	+1.0%	-1.0%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2024	12,268	(12,268)	1,419	(1,419)	13	(13)
As at 30 June 2023	12,585	(12,585)	3	(3)	17	(17)

#### c. Credit risk

The Fund is 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 Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances at the reporting date.

#### d. 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, margin calls on derivative transactions, or to fund foreign exchange related cash flow requirements.

The Fund invests in unlisted managed investment funds and other financial instruments. Investments in unlisted managed investment funds expose the Fund to the risk that the Responsible Entity of those funds may be unwilling or unable to fulfil daily and/or monthly redemption requests within the timeframe required by the Fund. At 30 June 2024, there were no financial assets at fair value through profit or loss where the Responsible Entity has suspended redemptions due to a lack of liquidity in its underlying funds (30 June 2023: nil).

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 Fund did not reject or withhold any redemptions during 2024 and 2023.

##### i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

##### ii. Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. 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 \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2024</b>					
Forward currency contracts	-	(25)	-	-	(25)
<b>Total net settled derivatives</b>	-	(25)	-	-	(25)
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2023</b>					
Forward currency contracts	-	(126)	-	-	(126)
<b>Total net settled derivatives</b>	-	(126)	-	-	(126)

## **4. 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 5 and Note 6)
- Derivative financial instruments (see Note 7)

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.

### **a. Valuations using level 1 inputs**

The fair value of financial instruments traded in active markets (such as listed equity securities and managed investment funds) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

### **b. Valuations using level 2 inputs**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included in level 2.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Foreign currency forwards are valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date
- Investments in unlisted unit trusts are valued at the redemption price per unit as reported by the underlying fund's investment manager

### **c. Valuations using level 3 inputs**

The fair value of financial instruments that are determined using valuation techniques that rely on material inputs that are not observable are included in level 3 and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Unlisted unit trusts are recorded at the redemption price per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as; liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

#### 4. Fair value measurement (continued)

##### d. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2024.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
Listed equity securities	4,386	-	-	4,386
Listed managed investment funds	32,532	-	-	32,532
Unlisted managed investment funds	-	78,504	7,255	85,759
<b>Total financial assets</b>	<b>36,918</b>	<b>78,504</b>	<b>7,255</b>	<b>122,677</b>
<b>Financial liabilities</b>				
Forward currency contracts	-	25	-	25
<b>Total financial liabilities</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>25</b>

As at 30 June 2023

<b>Financial assets</b>				
Listed equity securities	3,980	-	-	3,980
Listed managed investment funds	27,227	-	-	27,227
Unlisted managed investment funds	-	90,310	4,335	94,645
<b>Total financial assets</b>	<b>31,207</b>	<b>90,310</b>	<b>4,335</b>	<b>125,852</b>
<b>Financial liabilities</b>				
Forward currency contracts	-	126	-	126
<b>Total financial liabilities</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>126</b>

##### e. 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 in 2024.

The following table presents the transfers between levels for the year ended 30 June 2024 and 30 June 2023.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Year ended 30 June 2024</b>			
Transfer between levels 1 and 2			
Listed managed investment funds	-	-	-
Transfer between levels 2 and 3			
Unlisted managed investment funds	-	-	-
<b>Year ended 30 June 2023</b>			
Transfer between levels 1 and 2			
Listed managed investment funds	-	-	-
Transfer between levels 2 and 3			
Unlisted managed investment funds	-	13,726	-

At the end of the previous reporting period, management have transferred the Fund's investments in Alexander Credit Income Fund from level 3 to level 2 as the fund invests in fixed income.

#### 4. Fair value measurement (continued)

##### f. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2024 and 30 June 2023 by class of financial instrument.

	Unlisted managed investment funds \$'000
<b>Opening balance - 1 July 2022</b>	<b>21,381</b>
Transfer into/(out) from level 3	(13,726)
Purchases	4,053
Sales	(7,444)
Gains/(losses) recognised in the statement of comprehensive income	71
	<b>4,335</b>
<b>Closing balance - 30 June 2023*</b>	<b>4,335</b>
Transfer into/(out) from level 3	-
Purchases	3,015
Sales	-
Gains/(losses) recognised in the statement of comprehensive income	(95)
	<b>7,255</b>
<b>Closing balance - 30 June 2024*</b>	<b>7,255</b>

\*Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

##### i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the material unobservable inputs used in the level 3 fair value measurements. See Note 4(c) above for the valuation techniques adopted.

Description	Valuation Method	Fair value \$'000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
<b>As at 30 June 2024</b>					
Unlisted managed investment funds		7,255	Net asset value	Not applicable	Direct
<b>As at 30 June 2023</b>					
Unlisted managed investment funds		4,335	Net asset value	Not applicable	Direct

There were no material inter-relationships between unobservable inputs that materially affect fair values.

##### ii. Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 4(e) above.

##### g. Financial instruments not carried at fair value

The carrying values of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

## 5. Financial assets at fair value through profit or loss

	As at	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Listed equity securities	4,386	3,980
Listed managed investment funds	32,532	27,227
Unlisted managed investment funds	85,759	94,645
<b>Total financial assets at fair value through profit or loss</b>	<b>122,677</b>	<b>125,852</b>

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 4 to the financial statements.

## 6. Financial liabilities at fair value through profit or loss

	As at	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Forward currency contracts	25	126
<b>Total financial liabilities at fair value through profit or loss</b>	<b>25</b>	<b>126</b>

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 4 to the financial statements.

## 7. 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 a 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.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivatives:

### a. 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.

## 7. Derivative financial instruments (continued)

The Fund's derivative financial instruments measured at fair value at year end are detailed below:

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
<b>As at 30 June 2024</b>			
Forward currency contracts	(41)	-	25
<b>Total derivatives</b>	(41)	-	25
<b>As at 30 June 2023</b>			
Forward currency contracts	(143)	-	126
<b>Total derivatives</b>	(143)	-	126

Information about the Fund's exposure to foreign exchange and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 4 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.

## 8. Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes (the "Schemes") to be structured entities. The Fund invests in Schemes for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in related party Schemes at fair value, and any related party amounts recognised in the statement of comprehensive income is disclosed at Note 16 to the financial statements.

The exposure to investments in unrelated Schemes at fair value is disclosed in the following table:

	Fair value of investment As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Aquasia Enhanced Credit Fund	11,504	11,273
Loomis Sayles Global Equity Fund	9,555	6,331
Northcape Capital Global Emerging Markets Fund	6,553	6,559
CC Sage Capital Absolute Return Fund	5,461	-
Lazard Global Equity Franchise Fund	5,275	5,900
PIMCO Trends Managed Futures Strategy Fund WS Class	5,198	-
DNR Capital Australian Equities High Conviction Fund	4,711	-
Australian Eagle Trust	4,375	-
Dexus Core Infrastructure Fund Off Platform Class H	4,105	-
Bennelong Concentrated Australian Equities Fund	3,989	3,996
Others	10,780	42,964
<b>Total unrelated Schemes</b>	71,506	77,023

The fair value of the Schemes is included in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Fund has disposed of its units in a Scheme, it ceases to be exposed to any risk from that Scheme.

During the year ended 30 June 2024, total gains/(losses) incurred on investments in the Schemes were \$2,609,338 (2023: \$3,894,242). The Fund also earned distribution income of \$4,335,037 (2023: \$3,605,622) as a result of its interests in the Schemes.



## 9. Net assets attributable to unit holders - equity

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where certain criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. The Fund's units are classified as equity as they 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 year were as follows:

	Year ended		Year ended	
	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	Units '000	\$'000	Units '000	\$'000
Opening balance	122,701	128,498	139,832	141,905
Applications	10,365	11,157	10,874	11,408
Redemptions	(17,885)	(19,138)	(28,006)	(29,062)
Reinvestment of distributions	-	-	1	1
Distributions paid and payable	-	(3,508)	-	(3,874)
Profit/(loss) for the year	-	6,927	-	8,120
<b>Closing balance</b>	<b>115,181</b>	<b>123,936</b>	<b>122,701</b>	<b>128,498</b>

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

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

### Capital risk management

The Fund considers its net assets attributable to unit holders as capital. 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 a 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 for the year were as follows:

	Year ended		Year ended	
	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	\$'000	CPU	\$'000	CPU
<b>Distributions</b>				
June (payable)	3,508	3.05	3,874	3.16
<b>Total distributions</b>	<b>3,508</b>	<b>3.05</b>	<b>3,874</b>	<b>3.16</b>

## 11. Cash and cash equivalents

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Cash at bank	1,272	1,731
<b>Total cash and cash equivalents</b>	<b>1,272</b>	<b>1,731</b>

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

### a. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Profit/(loss) for the year	6,927	8,120
Proceeds from sale of financial instruments at fair value through profit or loss	41,608	51,610
Payments for purchase of financial instruments at fair value through profit or loss	(33,958)	(42,153)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,956)	(3,865)
Dividend and distribution income reinvested	-	(336)
Net change in margin accounts	(666)	-
Unlisted unit trust rebates reinvested	(120)	(131)
Net change in receivables	(453)	4,039
Net change in payables	14	23
<b>Net cash inflow/(outflow) from operating activities</b>	<b>11,396</b>	<b>17,307</b>

### b. Non-cash operating and financing activities

The following purchases of investments were satisfied by the participation in dividend and distribution reinvestment plans

- 336

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

- 1

Unlisted unit trust rebate reinvestments

120 131

### Total non-cash operating and financing activities

120 468

## 13. Receivables

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Distributions receivable	2,988	2,535
Interest receivable	3	9
GST receivable	26	20
<b>Total receivables</b>	<b>3,017</b>	<b>2,564</b>

## 14. Payables

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Management fees and costs payable	163	149
<b>Total payables</b>	<b>163</b>	<b>149</b>

## 15. Remuneration of auditors

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

	30 June 2024 \$	Year ended 30 June 2023 \$
<b>Ernst &amp; Young</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	<u>15,136</u>	<u>14,416</u>
Total auditor remuneration and other assurance services	<u>15,136</u>	<u>14,416</u>
<i>Taxation services</i>		
Tax compliance services	<u>9,325</u>	<u>9,005</u>
Total remuneration for taxation services	<u>9,325</u>	<u>9,005</u>
<b>Total remuneration of Ernst &amp; Young</b>	<u>24,461</u>	<u>23,421</u>
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	<u>1,880</u>	<u>2,346</u>
Total auditor remuneration and other assurance services	<u>1,880</u>	<u>2,346</u>
<b>Total remuneration of PricewaterhouseCoopers</b>	<u>1,880</u>	<u>2,346</u>

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

## 16. Related party transactions

The Responsible Entity of Core Value Portfolio is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to the Responsible Entity are disclosed below.

The Responsible Entity has contracted services to Core Value Asset Management Pty Ltd to act as Investment Manager for the Fund and BNP Paribas 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 financial year and up to the date of this report.

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)

#### 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 the activities of the Fund, directly or indirectly during the financial year.

### 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 30 June 2024 (30 June 2023: nil).

## 16. Related party transactions (continued)

### 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 year and there were no material contracts involving key management personnel's interests existing at year end.

### g. Responsible Entity fees, Investment Manager's fees and other transactions

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

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
Management fees and costs for the year	767,510	1,060,898
Performance fees for the year	119,932	-
Management fees and costs payable at year end	162,740	148,741

Equity Trustees Limited earned \$67,102 (2023: \$82,247) for Responsible Entity services provided to the Fund, paid from management fees and costs.

For information on how management fees and costs and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

The management fees borne by the Fund is paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. Expense recoveries include Responsible Entity fees, Custodian and Administrator fees and other expenses.

### 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) hold units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Fair value of investments	Interest held	Number of units acquired	Number of units disposed	Distributions paid or payable by the Fund
			\$	%			\$
<b>As at 30 June 2024</b>							
Equity Trustees Limited	140	144	160	-	4	-	4
<b>As at 30 June 2023</b>							
Equity Trustees Limited	134	140	150	-	6	-	7

## 16. Related party transactions (continued)

### i. Investments

The Fund held investments in the following schemes which are also managed by Equity Trustees Limited or its related parties:

	Fair value of investment \$	Interest held %	Distributions earned \$	Distributions receivable \$	Units acquired during the year	Units disposed during the year
<b>As at 30 June 2024</b>						
Allan Gray Australia Equity Fund	3,838,356	0.16	313,808	313,809	-	-
Alexander Credit Income Fund	10,414,287	1.93	776,716	271,514	-	(3,303,323)
<b>As at 30 June 2023</b>						
SGH ICE Professional Investors Fund	-	-	449,490	-	261,274	(1,963,766)
Allan Gray Australia Equity Fund	3,896,260	0.17	387,902	387,902	-	(2,619,278)
Alexander Credit Income Fund	13,726,239	3.75	876,998	294,810	2,396,099	(723,178)
Partners Group Global Multi Asset Fund	-	-	587,485	-	-	(4,744,075)

## 17. Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

## 18. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2024 and 30 June 2023.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 6 to 28 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- 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.



Andrew P Godfrey  
Director

Melbourne  
25 September 2024



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

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

## Independent Auditor's Report to the unit holders of Core Value Portfolio

### Opinion

We have audited the financial report of Core Value Portfolio (the Fund), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, 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 2024 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 Fund 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 Equity Trustees Limited (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.

## Responsibilities of the Directors of the Responsible Entity for the Financial Report

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

In preparing the financial report, the Directors of the Responsible Entity are responsible for assessing the 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.





- 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.

A stylized, handwritten signature of 'Ernst &amp; Young' in black ink.

Ernst & Young

A handwritten signature of 'Jonathan Hall' in black ink.

Jonathan Hall  
Partner  
Sydney  
25 September 2024