

Heitman Global Prime Real Estate Trust

ARSN 630 727 490

Annual report

For the period 1 July 2021 to 28 April 2022

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Annual report

For the period 1 July 2021 to 28 April 2022

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This annual report covers Heitman Global Prime Real Estate Trust as an individual entity.

The Responsible Entity of Heitman Global Prime Real Estate Trust 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 Heitman Global Prime Real Estate Trust (the "Fund"), present their report together with the financial statements of the Fund for the period 1 July 2021 to 28 April 2022.

Principal activities

Until its termination on 28 April 2022, the Fund invested in a portfolio of liquid real estate securities consisting of shares of listed property companies that own top-tier properties in the world's dominant cities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

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	Heitman Real Estate Securities, LLC
Custodian, Administrator and Registrar	Link Fund Solutions Pty Limited
Statutory Auditor	Ernst & Young

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 (appointed 24 May 2022)

Review and results of operations

This is the final financial statements for the Fund, which has terminated on 28 April 2022. As at termination date, the Fund has outstanding tax reclaims and GST receivable, which will be paid to the investor once received.

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.

The Fund's performance was 6.45% (net of fees) for the period 1 July 2021 to 28 April 2022. The Fund's benchmark, the G7 CPI rate plus 5% returned 8.48% for the same period.

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

	For the period 1 July 2021 to 28 April 2022	Year ended 30 June 2021
Profit/(loss) for the period (\$)	5,572,690	33,443,321
Distributions paid and payable (\$)	1,473,727	4,790,214
Distributions (cents per unit)	1.5189	2.5427

Significant changes in the state of affairs

The Fund terminated on 28 April 2022. As at termination date, the Fund has outstanding tax reclaims and GST receivable, which will be paid to the investor once received.

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

Matters subsequent to the end of the financial period

Mary A O'Connor was appointed as a director of Equity Trustees Limited on 24 May 2022.

In August 2022, the Fund partially settled the redemption payable amounting to \$415,620. At the date of signing, tax reclaims are still uncollected and \$125,482 of redemption remains unpaid.

No other matter or circumstance has arisen since 28 April 2022 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 Responsible Entity has not, during or since the end of the financial period, 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 period are disclosed in Note 15 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 15 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 8 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 Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
26 August 2022



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Equity Trustees Limited as Responsible Entity for Heitman Global Prime Real Estate Trust

As lead auditor for the audit of the financial report of Heitman Global Prime Real Estate Trust for the period ended 28 April 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young
Ernst & Young

Luke Slater

Luke Slater
Partner
26 August 2022

Heitman Global Prime Real Estate Trust
Statement of comprehensive income
For the period 1 July 2021 to 28 April 2022

Statement of comprehensive income

		For the period 1 July 2021 to 28 April 2022	Year ended 30 June 2021
	Note	\$	\$
Investment income			
Dividend and distribution income		2,660,261	5,771,535
Net foreign exchange gain/(loss)		(1,094,612)	3,466
Net gains/(losses) on financial instruments at fair value through profit or loss		4,506,122	28,711,906
Expense reimbursement income	15	94,344	141,983
Other income		60,374	-
Total investment income/(loss)		6,226,489	34,628,890
Expenses			
Management fees	15	276,418	510,480
Administration fees		43,057	72,960
Withholding taxes		249,383	535,201
Transaction costs		53,280	38,794
Remuneration of auditors		21,562	23,484
Other expenses		10,099	4,650
Total expenses		653,799	1,185,569
Profit/(loss) for the period		5,572,690	33,443,321
Other comprehensive income		-	-
Total comprehensive income for the period		5,572,690	33,443,321

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

Heitman Global Prime Real Estate Trust
Statement of financial position
As at 28 April 2022

Statement of financial position

		As at	
		28 April	30 June
	Note	2022	2021
		\$	\$
Assets			
Cash and cash equivalents	10	409,082	858,568
Receivables	12	132,020	838,337
Due from brokers - receivable for securities sold		-	17,635,431
Financial assets at fair value through profit or loss	5	-	168,842,724
Total assets		541,102	188,175,060
Liabilities			
Distributions payable	9	-	1,719,283
Payables	13	541,102	105,626
Financial liabilities at fair value through profit or loss	6	-	6,798
Total liabilities		541,102	1,831,707
Net assets attributable to unit holders - equity	8	-	186,343,353

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

Heitman Global Prime Real Estate Trust
Statement of changes in equity
For the period 1 July 2021 to 28 April 2022

Statement of changes in equity

		For the period 1 July 2021 to 28 April 2022 \$	Year ended 30 June 2021 \$
Total equity at the beginning of the period	8	186,343,353	151,358,659
Comprehensive income for the financial period			
Profit/(loss) for the period		5,572,690	33,443,321
Other comprehensive income		-	-
Total comprehensive income		5,572,690	33,443,321
Transactions with unit holders			
Applications	8	13,000,000	-
Redemptions	8	(206,635,326)	-
Reinvestment of distributions	8	3,193,010	6,331,587
Distributions paid and payable	8	(1,473,727)	(4,790,214)
Total transactions with unit holders		(191,916,043)	1,541,373
Total equity at the end of the financial period		-	186,343,353

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

Heitman Global Prime Real Estate Trust
Statement of cash flows
For the period 1 July 2021 to 28 April 2022

Statement of cash flows

	For the period 1 July 2021 to 28 April 2022	Year ended 30 June 2021
Note	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	220,269,642	27,862,814
Payments for purchase of financial instruments at fair value through profit or loss	(29,010,592)	(31,816,694)
Dividends and distributions received	2,822,872	4,613,664
Expense reimbursement income received	106,973	156,891
Other income received	60,374	-
Management fees paid	(337,521)	(531,184)
Administration fees paid	(53,236)	(62,494)
Transaction costs paid	(53,210)	(38,864)
Other expenses paid	(65,952)	(10,723)
Net cash inflow/(outflow) from operating activities	11(a) 193,739,350	173,410
Cash flows from financing activities		
Proceeds from applications by unit holders	13,000,000	-
Payments for redemptions by unit holders	(206,094,224)	-
Net cash inflow/(outflow) from financing activities	(193,094,224)	-
Net increase/(decrease) in cash and cash equivalents	645,126	173,410
Cash and cash equivalents at the beginning of the period	858,568	681,692
Effect of foreign currency exchange rate changes on cash and cash equivalents	(1,094,612)	3,466
Cash and cash equivalents at the end of the period	10 409,082	858,568
Non-cash operating and financing activities	11(b) 3,474,581	6,737,402

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 Heitman Global Prime Real Estate Trust (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 21 December 2018. The Fund terminated its operations on 28 April 2022 when all assets of the Fund were realised and all units were redeemed out of the Fund. As at termination date, the Fund has outstanding tax reclaims and GST receivable, which will be paid to the investor once received.

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 28 April 2022, the Fund invested in a portfolio of liquid real estate securities consisting of shares of listed property companies that own top-tier properties in the world's dominant cities 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 28 April 2022, 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.

(i) 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 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current period.

2 Summary of significant 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 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 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, derivatives and property trusts, 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, receivables and due from brokers, 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, management fees payable, audit and tax fees payable, redemptions payable and other payables).

(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 liabilities are discharged, cancelled or expired. 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.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

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 any allowance for expected credit losses.

Cash and cash equivalents, due from brokers, receivables, distributions payable and payables are carried at amortised cost.

(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 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.

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unit holders (continued)

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 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.

(e) 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial 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 entitlement basis.

(f) Expenses

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

(g) Income tax

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

2 Summary of significant accounting policies (continued)

(h) 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.

(i) 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 the 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.

(j) Due from/to brokers

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

(k) Receivables

Receivables may include amounts for interest, 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.

(l) Payables

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

A separate distributions 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 period.

(m) Applications and redemptions

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

2 Summary of significant accounting policies (continued)

(n) 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.

(o) 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 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.

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(c) for more information on credit risk.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

(p) 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.

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 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 is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Heitman Real Estate Securities, LLC, 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.

Prior to its termination, the Fund used 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. 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.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund's Investment Manager performs an in depth analysis of the long term fundamentals of global real estate markets. Real estate securities are selected for the investment universe using the Global Industry Classification Standard. The Investment Manager screens all securities within this universe based upon a free float market capitalisation for size and a daily trading volume threshold for liquidity and conducts screening using a combination of qualitative and quantitative tools to identify those companies that have more than 75% of their gross asset value in prime markets and more than 50% of their assets under management in prime assets. The portfolio is rebalanced on a quarterly basis.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis was based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 10% (2021: +/- 10%).

(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 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.

No management of the foreign currency exposure relative to the Australian dollar is undertaken for the Fund.

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 Dollar	Euro	British Pound	Japanese Yen	Other currencies
As at 28 April 2022	A\$	A\$	A\$	A\$	A\$
Receivables	-	63,589	25,039	-	35,418
Net exposure	-	63,589	25,039	-	35,418

As at 30 June 2021

Cash and cash equivalents	45,847	102,351	-	71,587	25,520
Receivables	217,683	-	118,064	128,701	4,321
Due from brokers - receivable for securities sold	6,273,027	1,801,466	2,414,391	3,069,886	2,663,869
Financial assets at fair value through profit or loss	58,868,989	16,928,892	22,675,221	28,709,893	28,356,655
Net exposure	65,405,546	18,832,709	25,207,676	31,980,067	31,050,365
Net increase/(decrease) in exposure from forward currency contracts	6,289,008	1,911,019	2,417,864	3,101,851	2,692,310

Net exposure including forward currency contracts

71,694,554	20,743,728	27,625,540	35,081,918	33,742,675
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The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis was based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% (2021: +/- 10%) against the material foreign currencies to which the Fund is exposed.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

The Fund is 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 it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The impact of the interest rate risk on profit/(loss) and net assets attributable to unit holders is considered immaterial to the Fund.

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.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) 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 changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/(loss)/ net assets attributable to unit holders					
	Price risk		Foreign exchange risk			
	+10%	-10%	+10%	-10%	+10%	-10%
	\$	\$	USD \$	USD \$	EUR \$	EUR \$
As at 28 April 2022	-	-	-	-	6,359	(6,359)
As at 30 June 2021	16,883,593	(16,883,593)	653,656	(653,656)	190,382	(190,382)

	Foreign exchange risk					
	+10%	-10%	+10%	-10%	+10%	-10%
	GBP \$	GBP \$	JPY \$	JPY \$	Other currencies \$	Other currencies \$
As at 28 April 2022	2,504	(2,504)	-	-	3,542	(3,542)
As at 30 June 2021	253,246	(253,246)	327,017	(327,017)	269,372	(269,372)

(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 amount of these balances as at the reporting date.

3 Financial risk management (continued)

(c) Credit risk (continued)

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 considered both historical analysis and forward looking information in determining any expected credit loss. At 28 April 2022 and 30 June 2021, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of A+ 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.

Derivative financial instruments

The Fund manages credit risk by only entering into agreements with credit worthy counterparties.

(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 or to fund foreign exchange related cash flow requirements.

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 the period 1 July 2021 to 28 April 2022 and the year ended 30 June 2021.

(i) Maturities of non-derivative financial liabilities

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

(ii) Maturities of net settled derivative financial instruments

As at 28 April 2022, the Fund held no derivative financial instruments.

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. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

4 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 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.

The quoted market price used for financial assets held by the Fund is the current bid price.

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.

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

As at 28 April 2022, the Fund had no financial assets and liabilities. The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2021.

As at 30 June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Australian listed equity securities	2,204,833	-	-	2,204,833
Australian listed property trusts	11,088,364	-	-	11,088,364
International listed equity securities	55,436,545	-	-	55,436,545
International listed property trusts	100,103,105	-	-	100,103,105
Forward currency contracts	-	9,877	-	9,877
Total financial assets	168,832,847	9,877	-	168,842,724
Financial liabilities				
Forward currency contracts	-	(6,798)	-	(6,798)
Total financial liabilities	-	(6,798)	-	(6,798)

4 Fair value measurement (continued)

(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 carrying values of receivables and payables approximate their fair values due to their short-term nature.

5 Financial assets at fair value through profit or loss

	28 April 2022	As at 30 June 2021
	\$	\$
Australian listed equity securities	-	2,204,833
Australian listed property trusts	-	11,088,364
International listed equity securities	-	55,436,545
International listed property trusts	-	100,103,105
Forward currency contracts	-	9,877
Total financial assets at fair value through profit or loss	-	168,842,724

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

	28 April 2022	As at 30 June 2021
	\$	\$
Forward currency contracts	-	6,798
Total financial liabilities at fair value through profit or loss	-	6,798

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 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.

7 Derivative financial instruments (continued)

Forward currency contracts

Forward currency contracts are primarily used by the Fund to allow for settlement of the equity in the underlying currency. 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.

As at 28 April 2022, the Fund held no derivative financial instruments. The Fund's derivative financial instruments measured at fair value at prior year end are detailed below:

	Contract/ notional \$	Assets \$	Liabilities \$
As at 30 June 2021			
Forward currency contracts	16,408,973	9,877	6,798
Total derivatives	16,408,973	9,877	6,798

Information about the Fund's exposure to credit risk and foreign exchange risk 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 Net assets attributable to unit holders - equity

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be 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 set out in Note 2(c). 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 period were as follows:

	For the period		Year ended	
	1 July 2021 to 28 April 2022	1 July 2021 to 28 April 2022	30 June 2021	30 June 2021
	Units	\$	Units	\$
Opening balance	189,896,444	186,343,353	182,376,767	151,358,659
Applications	12,210,012	13,000,000	-	-
Redemptions	(205,298,499)	(206,635,326)	-	-
Reinvestment of distributions	3,192,043	3,193,010	7,519,677	6,331,587
Distributions paid and payable	-	(1,473,727)	-	(4,790,214)
Profit/(loss) for the period	-	5,572,690	-	33,443,321
Closing balance	-	-	189,896,444	186,343,353

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

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

Heitman Global Prime Real Estate Trust
Notes to the financial statements
For the period 1 July 2021 to 28 April 2022
(continued)

9 Distributions to unit holders

The distributions declared during the period were as follows:

Distributions	For the period		Year ended	
	1 July 2021 to 28 April 2022	1 July 2021 to 28 April 2022	30 June 2021	30 June 2021
	\$	CPU	\$	CPU
September	787,261	0.7321	957,621	0.5140
December	686,466	0.7868	1,111,821	0.5929
March	-	-	1,001,489	0.5304
June (payable)	-	-	1,719,283	0.9054
Total distributions	1,473,727	1.5189	4,790,214	2.5427

10 Cash and cash equivalents

	As at	
	28 April 2022	30 June 2021
	\$	\$
Cash at bank	409,082	858,568
Total cash and cash equivalents	409,082	858,568

11 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

	For the period 1 July 2021 to 28 April 2022	Year ended 30 June 2021
	\$	\$
Profit/(loss) for the period	5,572,690	33,443,321
Proceeds from sale of financial instruments at fair value through profit or loss	220,269,642	27,862,814
Payments for purchase of financial instruments at fair value through profit or loss	(29,010,592)	(31,816,694)
Net (gains)/losses on financial instruments at fair value through profit or loss	(4,506,122)	(28,711,906)
Net foreign exchange (gain)/loss	1,094,612	(3,466)
Dividend and distribution income reinvested	(281,571)	(405,815)
Net change in receivables	706,317	(183,272)
Net change in payables	(105,626)	(11,572)
Net cash inflow/(outflow) from operating activities	193,739,350	173,410

Heitman Global Prime Real Estate Trust
Notes to the financial statements
For the period 1 July 2021 to 28 April 2022
(continued)

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

(b) Non-cash operating and financing activities

	For the period 1 July 2021 to 28 April 2022	Year ended 30 June 2021
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	3,193,010	6,331,587
The following purchases of investments were satisfied by the participation in dividend and distribution reinvestment plans	281,571	405,815
Total non-cash operating and financing activities	3,474,581	6,737,402

12 Receivables

	As at 28 April 2022 \$	30 June 2021 \$
Dividends and distributions receivable	-	640,630
GST receivable	6,538	6,661
Management fee reimbursement receivable	-	12,629
Other receivables	125,482	178,417
Total receivables	132,020	838,337

13 Payables

	As at 28 April 2022 \$	30 June 2021 \$
Management fees payable	-	61,103
Redemptions payable	541,102	-
Audit and tax fees payable	-	34,344
Other payables	-	10,179
Total payables	541,102	105,626

Heitman Global Prime Real Estate Trust
Notes to the financial statements
For the period 1 July 2021 to 28 April 2022
(continued)

14 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 2021 to 28 April 2022 \$	Year ended 30 June 2021 \$
Ernst & Young		
<i>Audit and other assurance services</i>		
Audit of financial statements	<u>8,000</u>	9,791
Total auditor remuneration and other assurance services	<u>8,000</u>	9,791
<i>Taxation services</i>		
Tax compliance services	<u>11,274</u>	10,343
Total remuneration for taxation services	<u>11,274</u>	10,343
Total remuneration of Ernst & Young	<u>19,274</u>	20,134
 PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
Audit of compliance plan	<u>-</u>	2,342
Total auditor remuneration and other assurance services	<u>-</u>	2,342
Total remuneration of PricewaterhouseCoopers	<u>-</u>	2,342

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

15 Related party transactions

The Responsible Entity has contracted services to Heitman Real Estate Securities, LLC to act as Investment Manager for the Fund and Link Fund Solutions Pty Limited to act as Custodian, Administrator and Registrar for the Fund. The contracts are on normal commercial terms and conditions.

The Responsible Entity of Heitman Global Prime Real Estate Trust is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

15 Related party transactions (continued)

(a) Key management personnel

(i) 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 (appointed 24 May 2022)

(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.

(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 28 April 2022 (30 June 2021: 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 key management personnel's interests existing at period end.

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

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

15 Related party transactions (continued)

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

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 2021 to 28 April 2022 \$	Year ended 30 June 2021 \$
Management fees for the period	254,116	469,203
Responsible Entity fees for the period	22,302	41,277
Management fees reimbursement received for the period	(94,344)	(141,983)
Management fees payable at period end	-	44,330
Responsible Entity fees payable at period end	-	16,733
Management fees reimbursement receivable at period end	-	(12,629)

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

Investment 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.

(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 28 April 2022 (30 June 2021: nil).

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the period (2021: nil).

16 Events occurring after the reporting period

Mary A O'Connor was appointed as a director of Equity Trustees Limited on 24 May 2022.

In August 2022, the Fund partially settled the redemption payable amounting to \$415,620. At the date of signing, tax reclaims are still uncollected and \$125,482 of redemption remains unpaid.

No other significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 28 April 2022 or on the results and cash flows of the Fund for the period ended on that date.

17 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 28 April 2022 and 30 June 2021.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 28 April 2022 and of its performance for the financial period 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.



Philip D Gentry
Chairman

Melbourne
26 August 2022

Independent Auditor's Report to the Unit Holders of Heitman Global Prime Real Estate Trust

Opinion

We have audited the financial report of Heitman Global Prime Real Estate Trust (the Fund), which comprises the statement of financial position as at 28 April 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended 1 July 2021 to 28 April 2022, notes to the financial statements, including a summary of significant accounting policies, and the declaration of the Directors of Equity Trustees Limited (the Directors), the Responsible Entity of the Fund.

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

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its financial performance for the period ended 1 July 2021 to 28 April 2022; 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 and the Responsible Entity 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial report, which describes the basis of accounting. It is the directors' intention to wind up the Fund prior to the next year end. As a result, the financial report has been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in respect of this matter.

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

The Directors of 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 for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the Directors of the Responsible Entity of the Funds' use of the going concern basis of accounting. When such use is inappropriate and the directors use an alternative basis of accounting, we conclude on the appropriateness of the directors' use of the



alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. 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 of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Ernst & Young

Luke Slater

Luke Slater
Partner
Melbourne
26 August 2022