

LDI Connect Asset Management Portfolios

Annual report

For the year ended 30 June 2024

LDI Connect 3 Portfolio
LDI Connect 7 Portfolio
LDI Connect 20 Portfolio

ARSN 154 532 402
ARSN 154 532 126
ARSN 162 155 795

LDI Connect Asset Management Portfolios

Annual report For the year ended 30 June 2024

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Independent auditor's report to the unit holders of LDI Connect Asset Management Portfolios

This annual report covers the following Funds as individual entities.

LDI Connect 3 Portfolio

LDI Connect 7 Portfolio

LDI Connect 20 Portfolio

The Responsible Entity of the Funds 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 LDI Connect 3 Portfolio, LDI Connect 7 Portfolio and LDI Connect 20 Portfolio (the "Funds"), present their report together with the financial statements of the Funds for the year ended 30 June 2024.

LDI Connect 3 Portfolio
 LDI Connect 7 Portfolio
 LDI Connect 20 Portfolio

The Funds are collectively known as "LDI Connect Asset Management Portfolios".

Principal activities

The Funds invest in listed equity securities, managed investment funds, unlisted unit trusts and derivatives in accordance with the Product Disclosure Statements and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year.

There were no significant changes in the nature of this Funds' activities during the year.

The various service providers for the Funds are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	LDI Connect 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 Funds continued to invest their funds in accordance with the Product Disclosure Statements and the provisions of the Funds' Constitutions.

Fund name	Benchmark	Return (net of fees)	Benchmark return
LDI Connect 3 Portfolio	Bloomberg Ausbond Bank Bill Index +2% p.a.	5.70%	6.50%
LDI Connect 7 Portfolio	Bloomberg Ausbond Bank Bill Index +4% p.a.	8.10%	8.50%
LDI Connect 20 Portfolio	Bloomberg Ausbond Bank Bill Index +5% p.a.	7.70%	9.50%

Directors' report (continued)

Review and results of operations (continued)

The total return is calculated by dividing the unit price by the previously calculated unit price. For LDI Connect 3 Portfolio and LDI Connect 7 Portfolio, prices are calculated on weekly basis and for LDI Connect 20 Portfolio, prices are calculated on monthly basis.

The performance of the Funds as represented by the results of their operations, were as follows:

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	5,072	3,417	14,783	8,851	1,998	574
Class A						
Distributions paid and payable (\$'000)	87	279	-	537	-	30
Distributions (cents per unit)	0.22	0.50	-	0.68	-	0.10
Class B						
Distributions paid and payable (\$'000)	257	197	142	657	-	-
Distributions (cents per unit)	0.58	0.60	0.13	0.74	-	-

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 Funds that occurred during the financial 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 significant effect on:

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

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statements and the provisions of the Funds' Constitutions.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. 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 Funds 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 Funds' Constitutions and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

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 Funds against a liability incurred as auditor.

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Funds property during the year are disclosed in Note 16 to the financial statements.

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

The number of interests in the Funds 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 Funds

The movements in units on issue in the Funds during the year are disclosed in Note 9 to the financial statements.

The values of the Funds' assets and liabilities are disclosed on the statements of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Funds 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.

Financial statements presentation

The Funds are entities of the kind referred to *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

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



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Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for LDI Connect 3 Portfolio, LDI Connect 7 Portfolio, and LDI Connect 20 Portfolio

As lead auditor for the audit of the financial reports of LDI Connect 3 Portfolio, LDI Connect 7 Portfolio, and LDI Connect 20 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 audits;
- b. No contraventions of any applicable code of professional conduct in relation to the audits; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audits.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Jonathan Hall' in a cursive style.

Jonathan Hall
Partner
25 September 2024

LDI Connect Asset Management Portfolios
Statements of comprehensive income
For the year ended 30 June 2024

Statements of comprehensive income

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June	30 June	30 June	30 June	30 June	30 June
Note	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Interest income from financial assets at amortised cost	83	87	259	84	44	20
Dividends and distributions income	2,318	1,625	7,766	4,901	790	528
Net foreign exchange gain/(loss)	-	-	(6)	(54)	(2)	2
Management fees rebate	110	96	203	195	35	33
Net gains/(losses) on financial instruments at fair value through profit or loss	3,302	2,384	7,996	5,051	1,568	464
Other income	-	-	-	7	-	2
Total income/(loss)	5,813	4,192	16,218	10,184	2,435	1,049
Expenses						
Management fees and costs	726	768	1,230	1,325	394	470
Other expenses	15	7	205	8	43	5
Total expenses	741	775	1,435	1,333	437	475
Profit/(loss) for the year	5,072	3,417	14,783	8,851	1,998	574
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,998	574
Finance costs attributable to unit holders						
Distributions to unit holders ^{1 and 2}	(344)	(476)	(142)	(1,194)	-	-
(Increase)/decrease in net assets attributable to unit holders	(4,728)	(2,941)	(14,641)	(7,657)	-	-
Profit/(loss) after finance costs attributable to unitholders	-	-	-	-	1,998	574

¹ LDI Connect 20 Portfolio have met all the requirements under AASB 132 Financial Instruments. Presentation to be classified as equity. As a result, Fund distributions are classified as distributions paid in statements of changes in equity.

² For LDI Connect 3 Portfolio and LDI Connect 7 Portfolio distribution is recognised as finance costs attributable to unit holders in statements of comprehensive income as they do not satisfy the equity criteria under AASB 132 Financial Instruments. Presentation.

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

LDI Connect Asset Management Portfolios
Statements of financial position
As at 30 June 2024

Statements of financial position

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
Note	As at		As at		As at	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	11	1,483	547	2,373	294	534
Receivables	13	1,602	746	3,210	698	427
Due from brokers - receivable for securities sold		-	960	1,562	291	534
Financial assets at fair value through profit or loss	5	90,304	93,337	182,657	27,830	31,991
Total assets		93,389	95,590	189,802	29,113	33,486
Liabilities						
Distributions payable	10	344	476	1,194	-	30
Payables	14	67	51	85	43	35
Financial liabilities at fair value through profit or loss	6	142	314	1,139	25	132
Total liabilities (excluding net assets attributable to unit holders)		553	841	2,418	68	197
Net assets attributable to unit holders - equity ³	9	-	-	-	29,045	33,289
Net assets attributable to unit holders - liability ⁴	9	92,836	94,749	187,384	-	-

³ LDI Connect 20 Portfolio have met all the requirements under AASB 132 Financial Instruments: Presentation to be classified as equity. As a result, net assets attributable to unitholders of the Funds are classified as equity rather than liability.

⁴ LDI Connect 3 Portfolio and LDI Connect 7 Portfolio classifies net assets attributable to unitholders as liability as they do not satisfy the equity criteria under AASB 132 Financial Instruments: Presentation.

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

LDI Connect Asset Management Portfolios
Statements of changes in equity
For the year ended 30 June 2024

Statements of changes in equity

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio ⁵	
	Year ended		Year ended		Year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year*	-	-	-	-	33,289	35,513
Comprehensive income for the financial year						
Profit/(loss) for the year	-	-	-	-	1,998	574
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,998	574
Transactions with unitholders						
Applications	9	-	-	-	250	650
Redemptions	9	-	-	-	(6,495)	(3,418)
Units issued upon re-investment of distributions	9	-	-	-	3	-
Distributions paid and payable	9	-	-	-	-	(30)
Total transactions with unitholders	-	-	-	-	(6,242)	(2,798)
Total equity at the end of the financial year	9	-	-	-	29,045	33,289

*Units of LDI Connect 20 Portfolio have met all the requirements under AASB 132 Financial Instruments: Presentation to be classified as equity. As a result, net assets attributable to unit holders of the Fund are classified as equity rather than liability and the Fund distributions are no longer classified as finance costs in statements of comprehensive income, but rather as distributions paid in statements of changes in equity.

Net assets attributable to unit holders of the Funds LDI Connect 3 Portfolio and LDI Connect 7 Portfolio are classified as liability rather than equity as they did not meet the requirements under AASB 132 Financial Instruments: Presentation. As a result, there was no equity at the end of the financial year for these Funds.

The above statements of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 1, 2c and 9.

LDI Connect Asset Management Portfolios
Statements of cash flows
For the year ended 30 June 2024

Statements of cash flows

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	23,675	17,324	52,710	56,851	9,827	11,475
Payments for purchase of financial instruments at fair value through profit or loss	(15,134)	(17,632)	(37,820)	(45,804)	(3,460)	(8,297)
Interest income received from financial assets at amortised cost	84	82	264	74	45	18
Dividends and distributions received	142	499	352	1,346	42	97
Management fees and costs reimbursement received	10	12	19	-	4	3
GST received/(paid)	(8)	123	(3)	226	-	90
Other income received	9	-	30	7	5	2
Management fees and costs paid	(710)	(781)	(1,203)	(1,351)	(386)	(476)
Other expenses paid	(15)	(7)	(205)	(8)	(43)	(5)
Net cash inflow/(outflow) from operating activities	8,053	(380)	14,144	11,341	6,034	2,907
	12(a)					
Cash flows from financing activities						
Proceeds from applications by unit holders	18,839	12,506	25,539	20,426	250	650
Payments for redemptions by unit holders	(25,511)	(14,822)	(38,048)	(25,700)	(6,495)	(3,418)
Distributions paid to unit holders	(445)	(317)	(1,123)	(4,339)	(27)	(3)
Net cash inflow/(outflow) from financing activities	(7,117)	(2,633)	(13,632)	(9,613)	(6,272)	(2,771)
Net increase/(decrease) in cash and cash equivalents	936	(3,013)	512	1,728	(238)	136
Cash and cash equivalents at the beginning of the year	547	3,560	2,373	699	534	396
Effect of foreign currency exchange rate changes on cash and cash equivalents	-	-	(6)	(54)	(2)	2
Cash and cash equivalents at the end of the year	1,483	547	2,879	2,373	294	534
	11					
Non-cash operating and financing activities	1,449	2,204	3,780	8,549	505	930
	12(b)					

The above statements 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 LDI Connect Asset Management Portfolios (the "Funds") as individual entities. The Funds are Australian registered managed investment schemes which were constituted on the dates below and will terminate in accordance with the provisions of the Funds' Constitutions or by Law.

LDI Connect 3 Portfolio	11 November 2011
LDI Connect 7 Portfolio	11 November 2011
LDI Connect 20 Portfolio	29 January 2013

The Responsible Entity of the Funds 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 Funds invest in listed equity securities, managed investment funds, unlisted unit trusts and derivatives in accordance with the Product Disclosure Statements and the provisions of the Funds' Constitutions.

The units of LDI Connect 20 Portfolio have met the eligibility requirements in order to be classified as a Managed Investment Trust and are governed by the AMIT tax regime. Therefore, units for the Fund have been classified as equity.

However, LDI Connect 3 Portfolio and LDI Connect 7 Portfolio are multiclass funds and do not meet the criteria to be classified as equity under AASB 132 *Financial Instrument: Presentation*. Therefore, units in these Funds are still classified as financial liability.

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 Funds are for-profit entities 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 statements 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 Funds manage financial assets and financial liabilities 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 Funds also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Funds

The Funds have applied the following standards and amendments for the first time for their 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 Funds' 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.

2. Summary of material accounting policies (continued)

a. Basis of preparation (continued)

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 Funds.

b. Financial instruments

i. *Classification*

- Financial assets

The Funds classify their 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 Funds classify their financial assets based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Funds' portfolios of financial assets are managed and their performance are evaluated on a fair value basis in accordance with the Funds' documented investment strategies. The Funds' 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, due from brokers 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 Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognise 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 Funds have 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 statements of comprehensive income.

2. Summary of material accounting policies (continued)

b. Financial instruments (continued)

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Funds measure a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statements 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 statements 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, due from brokers, receivables, distributions payables, management fees and costs payables are carried at amortised cost.

iv. Impairment

At each reporting date, the Funds 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 Funds 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 Funds expect 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 statements 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 statements of comprehensive income.

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Funds have 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 a right to offset in the statements of financial position.

2. Summary of material accounting policies (continued)

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 of LDI Connect 20 Portfolio are classified as equity as they meet the eligibility requirements in order to be classified as a Managed Investment Trust and are therefore governed by the AMIT tax regime.

However, for LDI Connect 3 Portfolio and LDI Connect 7 Portfolio units are classified as financial liabilities as they did not meet the requirements under AASB 132 Financial Instruments: Presentation and the Funds are required to distribute their distributable income in accordance with Funds' Constitutions.

The units can be put back to the Funds at any time for cash based on the redemption price which is equal to a proportionate share of the Funds' 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 Funds.

d. Cash and cash equivalents

For the purpose of presentation in the statements 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 Funds' main income generating activity.

e. 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 Funds estimate 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 Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statements of comprehensive income.

Trust distributions are recognised on an entitlements basis.

2. Summary of material accounting policies (continued)

f. Expenses

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

As per the Funds' Product Disclosure Statements (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.

g. Income tax

Under current legislation, LDI Connect 3 Portfolio and LDI Connect 7 Portfolio are not subject to income tax provided it distributes the entirety of its taxable income to its unit holders.

Under current legislation, LDI Connect 20 Portfolio is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

h. Distributions

LDI Connect 20 Portfolio may distribute its distributable income, in accordance with the Funds' Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statements of changes in equity.

LDI Connect 3 Portfolio and LDI Connect 7 Portfolio distribute their distributable income, in accordance with the Funds' Constitution, to unit holders by cash or reinvestment. The distributions are recognised in statements of comprehensive income as finance costs attributable to unit holders.

i. Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. For LDI Connect 20 Portfolio, the Fund's units are classified as equity, therefore, movement in net assets attributable to unit holders are recognised in statements of changes in equity.

For LDI Connect 3 Portfolio and LDI Connect 7 portfolio, the units are classified as financial liabilities, therefore, movements in net assets attributable to unit holders are recognised in the statements of comprehensive income as finance costs.

j. Foreign currency translation

i. *Functional and presentation currency*

Balances included in the Funds' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian dollar is also the Funds' 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 statements 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 Funds do 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.

2. Summary of material accounting policies (continued)

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 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.

m. Payables

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

A separate distributions payable is recognised in the statements 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 Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds 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 Funds by third parties such as management, administration and custodian services where applicable, have been passed on to the Funds. The Funds qualify 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 statements 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 statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

p. Use of estimates and judgements

The Funds make 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 Funds' 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 Funds estimate that the resultant expected credit loss (ECL) derived from using impairment model, has not materially impacted the Funds. Please see Note 3(c) 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 Funds are entities 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 Funds' activities expose them 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 Funds' overall risk management programme focuses on ensuring compliance with the Funds' Product Disclosure Statements and the investment guidelines of the Funds. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance. The Funds' policies allow them to use derivative financial instruments in managing their 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 forward currency contracts is limited to the notional contract values of those positions.

The investments of the Funds, and associated risks, are managed by a specialist Investment Manager, LDI Connect Asset Management Pty Ltd and delegated Investment Manager, Towers Watson Australia Pty Ltd under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Funds, consistent with those stated in the Product Disclosure Statements.

The Funds use different methods to measure different types of risk to which they are exposed. These methods are explained below.

a. **Market risk**

i. *Price risk*

The Funds are exposed to price risk on listed management investment funds, listed equity securities, unlisted equity securities and derivatives, unlisted managed investment funds and unlisted unit trusts. Price risk arises from investments held by the Funds 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 tables in Note 3(b) summarise the sensitivity of the Funds' assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Funds invest moves by +/-4%, +/-9% and +/-6% for LDI Connect 3 Portfolio (2023: +/-19.7%), LDI Connect 7 Portfolio (2023: +/-19.6%) and LDI Connect 20 Portfolio (2023: +/-19.5%), respectively.

ii. *Foreign exchange risk*

The Funds operate internationally and hold 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.

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.

3. Financial risk management (continued)

a. Market risk (continued)

ii. Foreign exchange risk (continued)

The tables below summarise the fair value of the Funds' financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

LDI Connect 3 Portfolio

	US Dollars \$'000	Euro \$'000	All other foreign currencies \$'000
As at 30 June 2024			
Cash and cash equivalents	-	-	13
Financial assets at fair value through profit or loss	16,261	-	-
Net exposure	16,261	-	13
Notional exposure from forward currency contracts			
Buy foreign currency	-	-	3,295
Sell foreign currency	(19,941)	(1,239)	(1,460)
As at 30 June 2023			
Cash and cash equivalents	-	-	-
Financial assets at fair value through profit or loss	21,300	-	-
Net exposure	21,300	-	-
Notional exposure from forward currency contracts			
Buy foreign currency	-	-	2,398
Sell foreign currency	(28,229)	(1,362)	(1,569)

LDI Connect 7 Portfolio

	US Dollars \$'000	Euro \$'000	All other foreign currencies \$'000
As at 30 June 2024			
Cash and cash equivalents	59	-	14
Financial assets at fair value through profit or loss	52,717	3,716	1,239
Net exposure	52,776	3,716	1,253
Notional exposure from forward currency contracts			
Buy foreign currency	-	-	13,705
Sell foreign currency	(70,204)	(8,331)	(5,872)
As at 30 June 2023			
Cash and cash equivalents	6	-	-
Due from brokers - receivable for securities sold	1,562	-	-
Financial assets at fair value through profit or loss	59,271	3,665	740
Net exposure	60,839	3,665	740
Notional exposure from forward currency contracts			
Buy foreign currency	3,508	-	13,567
Sell foreign currency	(86,676)	(8,464)	(6,121)

3. Financial risk management (continued)

a. Market risk (continued)

ii. Foreign exchange risk (continued)

LDI Connect 20 Portfolio

	US Dollars A\$'000	Euro A\$'000	All other foreign currencies A\$'000
As at 30 June 2024			
Cash and cash equivalents	20	-	-
Financial assets at fair value through profit or loss	8,772	-	301
Net exposure	8,792	-	301
Notional exposure from forward currency contracts			
Buy foreign currency	-	-	671
Sell foreign currency	(11,783)	(576)	(997)
As at 30 June 2023			
Cash and cash equivalents	4	-	-
Due from brokers - receivable for securities sold	534	-	-
Financial assets at fair value through profit or loss	12,237	-	180
Net exposure	12,775	-	180
Notional exposure from forward currency contracts			
Buy foreign currency	-	-	824
Sell foreign currency	(16,380)	(776)	(1,236)

The tables in Note 3(b) summarise the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk. The analyses are based on the reasonably possible shift that the Australian dollar weakened and strengthened by +/-1.3%, +/-2.5% and +/-1.6% for LDI Connect 3 Portfolio (2023: +/-10.2%), LDI Connect 7 Portfolio (2023: +/-10.2%) and LDI Connect 20 Portfolio (2023: +/-10.2%), respectively, against the material foreign currencies to which the Funds are exposed.

iii. Cash flow and fair value interest rate risk

The Funds are 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.

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

b. Summarised sensitivity analyses

The following tables summarise the sensitivities of the Funds' 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 estimates, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and historical correlation of the Funds' 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 Funds invest. 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 analyses (continued)

	Impact on operating profit/net assets attributable to unit holders			
	Price risk		Foreign Exchange Risk	
	\$'000	\$'000	\$'000	\$'000
LDI Connect 3 Portfolio				
As at 30 June 2024	+4.0% 3,606	-4.0% (3,606)	+1.3% 41	-1.3% (41)
As at 30 June 2023	\$'000 +19.7% 18,326	\$'000 -19.7% (18,326)	\$'000 +10.2% -	\$'000 -10.2% -
LDI Connect 7 Portfolio				
As at 30 June 2024	+9.0% 16,104	-9.0% (16,104)	+2.5% 328	-2.5% (328)
As at 30 June 2023	\$'000 +19.6% 35,578	\$'000 -19.6% (35,578)	\$'000 +10.2% 1	\$'000 -10.2% (1)
LDI Connect 20 Portfolio				
As at 30 June 2024	+6.0% 1,668	-6.0% (1,668)	+1.6% 58	-1.6% (58)
As at 30 June 2023	\$'000 +19.5% 6,213	\$'000 -19.5% (6,213)	\$'000 +10.2% -	\$'000 -10.2% -

c. Credit risk

The Funds are 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 Funds.

The Funds do 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 Funds are 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 as at the reporting date.

3. Financial risk management (continued)

d. Liquidity risk

Liquidity risk is the risk that the Funds 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 Funds may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by maintaining a predominantly liquid portfolio through investing the majority of its assets in listed securities which are traded in an active market, and can be readily disposed of.

In order to manage the Funds' 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 Funds 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 Funds in the current period have maturities of less than 2 months.

ii. *Maturities of net settled derivative financial instruments*

The tables below analyse the Funds' net settled derivative financial instruments based on their contractual maturity. The Funds 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 A\$'000	1-6 months A\$'000	6-12 months A\$'000	Over 12 months A\$'000	Total A\$'000
LDI Connect 3 Portfolio					
As at 30 June 2024					
Net settled derivatives					
Forward currency contracts	168	(9)	-	-	159
Total net settled derivatives	168	(9)	-	-	159
As at 30 June 2023					
Net settled derivatives					
Forward currency contracts	(171)	(190)	-	-	(361)
Total net settled derivatives	(171)	(190)	-	-	(361)
LDI Connect 7 Portfolio					
As at 30 June 2024					
Net settled derivatives					
Forward currency contracts	543	(14)	-	-	529
Total net settled derivatives	543	(14)	-	-	529
As at 30 June 2023					
Net settled derivatives					
Forward currency contracts	(317)	(1,000)	-	-	(1,317)
Total net settled derivatives	(317)	(1,000)	-	-	(1,317)
LDI Connect 20 Portfolio					
As at 30 June 2024					
Forward currency contracts	95	57			152
Total net settled derivatives	95	57	-	-	152
As at 30 June 2023					
Forward currency contracts	(46)	(113)			(159)
Total net settled derivatives	(46)	(113)	-	-	(159)

4. Fair value measurement

The Funds measure and recognise 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 Funds have 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
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Funds value their 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 listed 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 Funds is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use 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 Funds 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 Funds holds.

4. Fair value measurement (continued)

c. Valuations using level 3 inputs (continued)

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.

d. Recognised fair value measurements

The tables below present the Funds' financial assets and liabilities measured and recognised at fair value as at 30 June 2024 and 30 June 2023.

LDI Connect 3 Portfolio

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2024				
Financial assets				
Forward currency contracts	-	301	-	301
Unlisted managed investment funds	-	67,155	6,587	73,742
Unlisted unit trusts	-	16,261	-	16,261
Total financial assets	-	83,717	6,587	90,304
Financial liabilities				
Forward currency contracts	-	142	-	142
Total financial liabilities	-	142	-	142

As at 30 June 2023

Financial assets				
Forward currency contracts	-	3	-	3
Unlisted managed investment funds	-	65,463	6,571	72,034
Unlisted unit trusts	-	21,300	-	21,300
Total financial assets	-	86,766	6,571	93,337
Financial liabilities				
Forward currency contracts	-	314	-	314
Total financial liabilities	-	314	-	314

LDI Connect 7 Portfolio

As at 30 June 2024

Financial assets				
Forward currency contracts	-	1,115	-	1,115
Listed managed investment funds	-	-	-	-
Listed equity securities	2,250	-	-	2,250
Unlisted equity securities	-	-	2,820	2,820
Unlisted managed investment funds	-	105,933	12,553	118,486
Unlisted unit trusts	-	49,897	4,955	54,852
Total financial assets	2,250	156,945	20,328	179,523
Financial liabilities				
Forward currency contracts	-	586	-	586
Total financial liabilities	-	586	-	586

4. Fair value measurement (continued)

d. Recognised fair value measurements (continued)

LDI Connect 7 Portfolio	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
Forward currency contracts	-	12	-	12
Listed equity securities	1,930	-	-	1,930
Unlisted equity securities	-	-	2,956	2,956
Unlisted managed investment funds	-	107,051	9,989	117,040
Unlisted unit trusts	-	55,126	5,593	60,719
Total financial assets	1,930	162,189	18,538	182,657
Financial liabilities				
Forward currency contracts	-	1,139	-	1,139
Total financial liabilities	-	1,139	-	1,139

LDI Connect 20 Portfolio

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2024				
Financial assets				
Forward currency contracts	-	177	-	177
Listed equity securities	450	-	-	450
Unlisted equity securities	-	-	-	-
Unlisted managed investment funds	-	14,686	3,443	18,129
Unlisted unit trusts	-	8,773	301	9,074
Total financial assets	450	23,636	3,744	27,830
Financial liabilities				
Forward currency contracts	-	25	-	25
Total financial liabilities	-	25	-	25

As at 30 June 2023				
Financial assets				
Forward currency contracts	-	1	-	1
Listed equity securities	386	-	-	386
Unlisted equity securities	-	-	-	-
Unlisted managed investment funds	-	15,835	3,352	19,187
Unlisted unit trusts	-	11,831	586	12,417
Total financial assets	386	27,667	3,938	31,991
Financial liabilities				
Forward currency contracts	-	132	-	132
Total financial liabilities	-	132	-	132

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 for LDI Connect 3 portfolio.

The following tables present the transfers between levels for the year ended 30 June 2024 and 30 June 2023.

4. Fair value measurement (continued)

e. Transfer between levels (continued)

LDI Connect 7 Portfolio	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Year ended 30 June 2024			
Transfers between levels 2 and 3			
Unlisted managed investment funds	-	-	-
Year ended 30 June 2023			
Transfers between levels 2 and 3			
Unlisted managed investment funds	-	-	1,189

LDI Connect 20 Portfolio

Year ended 30 June 2024

Transfers between levels 2 and 3			
Unlisted managed investment funds	-	-	-
Year ended 30 June 2023			
Transfers between levels 2 and 3			
Unlisted managed investment funds	-	-	406

As at the end of the previous reporting period, management have transferred the LDI Connect 7 Portfolio and LDI Connect 20 Portfolio investments in Graticule Managed Investment Fund from level 2 to level 3 on the fair value hierarchy on the basis that these invests in private equities. There were no other transfers between levels in the fair value hierarchy at the end of the reporting period.

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.

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio	
	Unlisted managed investment funds \$'000	Unlisted managed investment funds \$'000	Unlisted unit trusts \$'000	Unlisted equity securities \$'000
Opening balance - 1 July 2022	9,050	12,871	3,382	-
Transfer into/(out) from level 3	-	-	1,189	-
Purchases	534	2,936	654	3,129
Sales	(3,132)	(6,771)	(185)	-
Gains/(losses) recognised in the statements of comprehensive income	119	953	553	(173)
Closing balance - 30 June 2023*	6,571	9,989	5,593	2,956
Transfer into/(out) from level 3	-	-	-	-
Purchases	69	2,637	697	-
Sales	-	-	(955)	-
Gains/(losses) recognised in the statements of comprehensive income	(53)	(73)	(380)	(136)
Closing balance - 30 June 2024*	6,587	12,553	4,955	2,820

4. Fair value measurement (continued)

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

	LDI Connect 20		
	Unlisted equity securities	Unlisted managed investment funds	Unlisted unit trusts
	\$'000	\$'000	\$'000
Opening balance - 1 July 2022	207	5,142	75
Transfer into/(out) from level 3	-	-	406
Purchases	-	-	88
Sales	-	(2,585)	(3)
Gains/(losses) recognised in the statements of comprehensive income	(207)	795	20
Closing balance - 30 June 2023*	-	3,352	586
Transfer into/(out) from level 3	-	-	-
Purchases	-	-	148
Sales	-	-	(328)
Gains/(losses) recognised in the statements of comprehensive income	-	91	(105)
Closing balance - 30 June 2024*	-	3,443	301

* 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 significant unobservable inputs used in 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
LDI Connect 3 Portfolio					
As at 30 June 2024					
Barwon Institutional Healthcare Property Fund		2,760	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 1		1,856	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 2		1,856	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 3		116	Net asset value	Not applicable	Direct
As at 30 June 2023					
Barwon Institutional Healthcare Property Fund		2,908	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 1		1,805	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 2		1,805	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 3		53	Net asset value	Not applicable	Direct

4. Fair value measurement (continued)

i. Valuation inputs and relationships to fair value (continued)

Description	Valuation Method	Fair value \$'000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
LDI Connect 7 Portfolio					
As at 30 June 2024					
Artesian Venture Capital Fund of Funds		2,905	Net asset value	Not applicable	Direct
Graticule Managed Fund		-	Net asset value	Not applicable	Direct
Barwon Healthcare Property Fund		721	Net asset value	Not applicable	Direct
Barwon Institutional Healthcare Property Fund		4,803	Net asset value	Not applicable	Direct
Ancala Infrastructure Fund II		3,716	Net asset value	Not applicable	Direct
Zouk Charging Infrastructure and Investment Fund		1,239	Net asset value	Not applicable	Direct
Palisade Impact Fund Asset Trust		1,845	Net asset value	Not applicable	Direct
Palisade Impact Fund Operating Trust		2,279	Net asset value	Not applicable	Direct
Forest Climate Solutions Fund		2,820	Net asset value	Not applicable	Direct
As at 30 June 2023					
Artesian Venture Capital Fund of Funds		2,806	Net asset value	Not applicable	Direct
Graticule Managed Fund		1,189	Net asset value	Not applicable	Direct
Barwon Healthcare Property Fund		762	Net asset value	Not applicable	Direct
Barwon Institutional Healthcare Property Fund		4,429	Net asset value	Not applicable	Direct
Ancala Infrastructure Fund II		3,665	Net asset value	Not applicable	Direct
Zouk Charging Infrastructure and Investment Fund		740	Net asset value	Not applicable	Direct
Palisade Impact Fund Asset Trust		884	Net asset value	Not applicable	Direct
Palisade Impact Fund Operating Trust		1,107	Net asset value	Not applicable	Direct
Forest Climate Solutions Fund		2,956	Net asset value	Not applicable	Direct
LDI Connect 20 Portfolio					
As at 30 June 2024					
Graticule Managed Fund		-	Net asset value	Not applicable	Direct
BlueChilli Venture Fund		196	Share of partnership	Not applicable	Direct
Artesian Venture Capital Fund of Funds		2,033	Net asset value	Not applicable	Direct
Zouk Charging Infrastructure and Investment Fund		301	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 1		581	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 2		581	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 3		52	Net asset value	Not applicable	Direct
As at 30 June 2023					
Graticule Managed Fund		406	Net asset value	Not applicable	Direct
BlueChilli Venture Fund		242	Share of partnership	Not applicable	Direct
Artesian Venture Capital Fund of Funds		1,964	Net asset value	Not applicable	Direct
Zouk Charging Infrastructure and Investment Fund		180	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 1		565	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 2		565	Net asset value	Not applicable	Direct
Palisade Diversified Infrastructure Fund No 3		16	Net asset value	Not applicable	Direct

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

4. Fair value measurement (continued)

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

For LDI Connect 20 Portfolio, the carrying values of cash and cash equivalents, due from broker, receivables and payables approximate their fair values due to their short-term nature.

For LDI Connect 3 Portfolio and LDI Connect 7 Portfolio, the financial instruments not measured at fair value through profit and loss includes:

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

5. Financial assets at fair value through profit or loss

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	As at		As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Forward currency contracts	301	3	1,115	12	177	1
Listed equity securities	-	-	2,250	1,930	450	386
Unlisted equity securities	-	-	2,820	2,956	-	-
Unlisted managed investment funds	73,742	72,034	118,486	117,040	18,129	19,187
Unlisted unit trusts	16,261	21,300	54,852	60,719	9,074	12,417
Total financial assets at fair value through profit or loss	90,304	93,337	179,523	182,657	27,830	31,991

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

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	As at		As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Forward currency contracts	142	314	586	1,139	25	132
Total financial liabilities at fair value through profit or loss	142	314	586	1,139	25	132

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.

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 Funds consider all investments in managed investment schemes (the "Schemes") to be structured entities. The Funds invest 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 statements 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 tables:

	Fair value of investment	
	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
LDI Connect 3 Portfolio		
Macquarie Enhanced Australian Fixed Interest Fund	16,089	15,131
Ardea Australian Inflation Linked Bond Fund	10,690	10,355
Towers Watson Alternative Credit Fund	9,833	9,259
WTW Australia Global Equity Focus Fund	9,441	9,465
Macquarie Australian Pure Indexed Equities Fund	4,540	4,633
Ardea Real Outcome Fund	4,123	4,103
Macquarie Australian Diversified Income Fund	3,817	4,099
Resolution Capital Global Property Securities Fund Unhedged Series II	3,613	3,377
Maple Brown Abbott Global Listed Infrastructure Fund	3,046	3,487
Towers Watson Diversifying Strategies Fund	3,013	10,664
Barwon Institutional Healthcare Property Fund	2,760	2,908
Leadenhall Ucits ILS Fund PLC Class B AUD	2,816	-
Others	8,960	8,696
Total unrelated Schemes	82,741	86,177
LDI Connect 7 Portfolio		
WTW Australia Global Equity Focus Fund	49,619	50,046
Towers Watson Alternative Credit Fund	17,039	26,357
Towers Watson Diversifying Strategies Fund	2,913	10,228
Resolution Capital Global Property Securities Fund Unhedged Series II	6,729	8,984
First State China Shares Fund	-	8,495
Yarra Australian Equities Fund	6,535	8,330
WTW Fiduciary Leveraged Allocation Fund 1	12,863	8,854
Maple Brown Abbott Global Listed Infrastructure Fund	6,215	5,801
Hyperion Australian Growth Companies Fund	6,544	5,602
Crabel Fund Spc Ltd Segregated Portfolio MM Series 47	5,273	5,448
Man AHL (TW) Dimension SPC Segregated Portfolio B	5,077	4,654
Barwon Institutional Healthcare Property Fund	4,803	4,429
Maniyar Macro Fund Ltd Sub Class H USD Shares	4,266	4,238
Others	30,138	11,153
Total unrelated Schemes	158,014	162,619

8. Structured entities (continued)

	Fair value of investment	
	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
LDI Connect 20 Portfolio		
WTW Australia Global Equity Focus Fund	4,537	6,037
Towers Watson Alternative Credit Fund	4,354	4,487
Towers Watson Diversifying Strategies Fund	1,117	3,953
Resolution Capital Global Property Securities Fund Unhedged Series II	1,587	2,195
Artesian Venture Capital Fund of Funds	2,034	1,964
Man AHL (TW) Dimension SPC Segregated Portfolio A	1,645	1,533
Maniyar Macro Fund Ltd Sub Class H USD Shares	1,413	1,404
Maple Brown Abbott Global Listed Infrastructure Fund	952	1,277
Crabel Fund Spc Ltd Segregated Portfolio MM Series 47	968	1,000
AMX Feeder - Systematica - Equity Factor fund	-	986
Atlas Infrastructure Australian Feeder Fund	723	917
First State China Shares Fund	642	911
Leadenhall Ucits ILS Fund PLC Class B AUD	912	-
Fulcrum Diversified Absolute Return Fund Class A AUD	1,025	-
AMX MASTER ARDEA GLOBAL ALPHA PLUS US DOLLAR A SHARES	920	-
Others	2,960	3,299
Total unrelated Schemes	25,789	29,963

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

The Funds' maximum exposure to losses from their interests in the Schemes is equal to the fair value of their investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Funds have disposed of their units in a Scheme, they cease 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 \$3,348,870 (2023: \$3,277,936) for LDI Connect 3 Portfolio, \$7,994,050 (2023: \$9,700,290) for LDI Connect 7 Portfolio and \$1,873,844 (2023: \$1,912,088) for LDI Connect 20 Portfolio. The Funds also earned distribution income of \$2,285,551 (2023: \$1,516,806), \$2,693,194 (2023: \$3,730,762) and \$647,689 (2023: \$388,794), respectively, as a result of their interests in the Schemes.

9. Net assets attributable to unit holders

For LDI Connect 3 Portfolio and LDI Connect 7 Portfolio, units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

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

	Year ended		Year ended	
	30 June 2024 Units '000	30 June 2024 \$'000	30 June 2023 Units '000	30 June 2023 \$'000
	LDI Connect 3 Portfolio			
Class A				
Opening balance	56,312	62,086	67,168	71,879
Applications	224	250	743	803
Redemptions	(16,738)	(18,978)	(11,621)	(12,616)
Reinvestment of distributions	28	30	22	24
Increase/(decrease) in net assets attributable to unit holders	-	4,728	-	1,996
Closing balance	39,826	48,116	56,312	62,086

9. Net assets attributable to unit holders (continued)

	Year ended		30 June 2023 Units '000	30 June 2023 \$'000
	30 June 2024 Units '000	30 June 2024 \$'000		
LDI Connect 3 Portfolio				
Class B				
Opening balance	32,598	32,663	22,690	21,960
Applications	17,808	18,589	11,858	11,703
Redemptions	(6,322)	(6,533)	(1,956)	(1,951)
Reinvestment of distributions	1	1	6	6
Increase/(decrease) in net assets attributable to unit holders	-	-	-	945
Closing balance	44,085	44,720	32,598	32,663
Total closing balance	83,911	92,836	88,910	94,749

LDI Connect 7 Portfolio

Class A				
Opening balance	79,479	95,155	98,103	112,725
Applications	394	477	1,976	2,346
Redemptions	(25,640)	(32,064)	(20,847)	(24,452)
Reinvestment of distributions	50	60	247	285
Increase/(decrease) in net assets attributable to unit holders	-	6,458	-	4,251
Closing balance	54,283	70,086	79,479	95,155
Class B				
Opening balance	88,668	92,229	70,993	70,706
Applications	23,258	25,320	18,911	19,388
Redemptions	(5,825)	(6,242)	(1,252)	(1,287)
Reinvestment of distributions	10	11	16	16
Increase/(decrease) in net assets attributable to unit holders	-	8,183	-	3,406
Closing balance	106,111	119,501	88,668	92,229
Total closing balance	160,394	189,587	168,147	187,384

LDI Connect 20 Portfolio

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:

	30 June 2024 Units '000	30 June 2024 \$'000	30 June 2023 Units '000	30 June 2023 \$'000
	LDI Connect 20 Portfolio			
Class A				
Opening balance	29,435	33,289	31,904	35,513
Applications	213	250	576	650
Redemptions	(5,646)	(6,495)	(3,045)	(3,418)
Reinvestment of distributions	3	3	-	-
Increase/(decrease) in net assets attributable to unit holders	-	-	-	-
Distributions paid and payable	-	-	-	(30)
Profit/(loss) for the year	-	1,998	-	574
Closing balance	24,005	29,045	29,435	33,289
Total closing balance	24,005	29,045	29,435	33,289

9. Net assets attributable to unit holders (continued)

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

As at 30 June 2024, there are two separate classes of units for LDI Connect 3 Portfolio and LDI Connect 7 Portfolio. Each unit within the same class has the same rights as all other units within that class. The two different classes have the same preferences and restrictions. For LDI Connect 20 Portfolio, there is only one unit class as at 30 June 2024.

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

Capital risk management

The amount of net assets attributable to unit holders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unit holders.

Applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets by the Responsible Entity. Under the terms of the Funds' Constitutions, 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	30 June	30 June	30 June
	2024	2024	2023	2023
	\$'000	CPU	\$'000	CPU
LDI Connect 3 Portfolio				
Distributions - Class A				
June (payable)	87	0.22	279	0.50
Total distributions - Class A	87	0.22	279	0.50
Distributions - Class B				
June (payable)	257	0.58	197	0.60
Total distributions - Class B	257	0.58	197	0.60
Total distributions	344	0.80	476	1.10
LDI Connect 7 Portfolio				
Distributions - Class A				
June (payable)	-	-	537	0.68
Total distributions - Class A	-	-	537	0.68
Distributions - Class B				
June (payable)	142	0.13	657	0.74
Total distributions - Class B	142	0.13	657	0.74
Total distributions	142	0.13	1,194	1.42
LDI Connect 20 Portfolio				
Distributions - Class A				
June (payable)	-	-	30	0.10
Total distributions - Class A	-	-	30	0.10
Total distributions	-	-	30	0.10

11. Cash and cash equivalents

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	As at		As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Cash at bank	1,483	547	2,879	2,373	294	534
Total cash and cash equivalents	1,483	547	2,879	2,373	294	534

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

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Profit/(loss) before finance costs attributable to unit holders for the year	5,072	3,417	14,783	8,851	1,998	574
Proceeds from sale of financial instruments at fair value through profit or loss	23,675	17,324	52,710	56,851	9,827	11,475
Payments for purchase of financial instruments at fair value through profit or loss	(15,134)	(17,632)	(37,820)	(45,804)	(3,460)	(8,297)
Net (gains)/losses on financial instruments at fair value through profit or loss	(3,302)	(2,384)	(7,996)	(5,051)	(1,568)	(464)
Net foreign exchange (gain)/loss	-	-	6	54	2	(2)
Dividends and distributions income reinvested	(1,318)	(2,090)	(3,525)	(8,053)	(471)	(900)
Unlisted unit trust rebates reinvested	(100)	(84)	(184)	(195)	(31)	(30)
Net change in receivables	(856)	1,082	(3,857)	4,714	(271)	557
Net change in payables	16	(13)	27	(26)	8	(6)
Net cash inflow/(outflow) from operating activities	8,053	(380)	14,144	11,341	6,034	2,907

b. Non-cash operating and financing activities

The following purchases of investments were satisfied by the participation in dividend and distribution reinvestment plans	1,318	2,090	3,525	8,053	471	900
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	31	30	71	301	3	-
The following applications were satisfied by in specie asset transfer	-	-	258	1,308	-	-
The following redemptions were satisfied by in specie asset transfer	-	-	(258)	(1,308)	-	-
Unlisted unit trust rebate reinvestments	100	84	184	195	31	30
Total non-cash operating and financing activities	1,449	2,204	3,780	8,549	505	930

13. Receivables

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	As at		As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Interest receivable	4	5	5	10	1	2
Distributions receivable	1,566	708	7,018	3,129	683	406
GST receivable	21	13	27	24	8	8
Other receivables	11	20	17	47	6	11
Total receivables	1,602	746	7,067	3,210	698	427

14. Payables

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	As at		As at		As at	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Management fees and costs payable	67	51	112	85	43	35
Redemptions payable	-	-	-	-	-	-
Total payables	67	51	112	85	43	35

15. Remuneration of auditors

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

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June 2024 \$	30 June 2023 \$	30 June 2024 \$	30 June 2023 \$	30 June 2024 \$	30 June 2023 \$
Ernst & Young						
<i>Audit and other assurance services</i>						
Audit of financial statements	17,283	16,137	17,286	16,137	18,172	16,964
Total auditor remuneration and other assurance services	17,283	16,137	17,286	16,137	18,172	16,964
<i>Taxation services</i>						
Tax compliance services	9,449	8,821	9,449	8,821	9,449	8,821
Total remuneration for taxation services	9,449	8,821	9,449	8,821	9,449	8,821
Total remuneration of Ernst & Young	26,732	24,958	26,735	24,958	27,621	25,785
PricewaterhouseCoopers						
<i>Audit and other assurance services</i>						
Audit of compliance plan	1,880	2,346	1,880	2,346	1,880	2,346
Total auditor remuneration and other assurance services	1,880	2,346	1,880	2,346	1,880	2,346
Total remuneration of PricewaterhouseCoopers	1,880	2,346	1,880	2,346	1,880	2,346

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

16. Related party transactions

The Responsible Entity of LDI Connect Asset Management Portfolios is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to LDI Connect Asset Management Pty Ltd to act as Investment Manager and BNP Paribas to act as Custodian and Administrator for the Funds. 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 Funds, 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 Funds as at 30 June 2024 (30 June 2023: nil).

d. Key management personnel compensation

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

e. Key management personnel loans

The Funds have 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 Funds

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

16. Related party transactions (continued)

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

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

	LDI Connect 3 Portfolio		LDI Connect 7 Portfolio		LDI Connect 20 Portfolio	
	Year ended		Year ended		Year ended	
	30 June	30 June	30 June	30 June	30 June	30 June
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Management fees and costs for the year	725,548	768,401	1,230,248	1,324,922	393,568	469,897
Management fees rebate for the year	110,360	17,626	203,027	17,923	1,950	1,789
Management fees and costs payable at year end	67,044	51,010	112,325	84,614	42,839	34,591

The Funds appointed Equity Trustees Limited, as the Responsible Entity. Under the PDS, Equity Trustees Limited earned \$186,503 (2023: \$189,630) for Responsible Entity services provided to the Funds, paid from management fees and costs.

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

Management fees rebate received relate to management fees rebated by related party investments to the Funds.

h. Related party unit holdings

Parties related to the Funds (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Funds, 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/payable by the Funds \$
LDI Connect 3 Portfolio							
As at 30 June 2024							
Equity Trustees Limited	132	133	154	-	1	-	-
As at 30 June 2023							
Equity Trustees Limited	132	132	145	-	-	-	-

16. Related party transactions (continued)

h. Related party unit holdings (continued)

	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/payable by the Funds \$
LDI Connect 7 Portfolio							
As at 30 June 2024							
Equity Trustees Limited	150	151	195	-	1	-	1
As at 30 June 2023							
Equity Trustees Limited	146	150	177	-	4	-	4
LDI Connect 20 Portfolio							
As at 30 June 2024							
Equity Trustees Limited	123	123	149	-	-	-	-
As at 30 June 2023							
Equity Trustees Limited	123	123	137	-	-	-	-

i. Investments

The Funds held investments in the following schemes which are also managed by EQT 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
LDI Connect 3 Portfolio						
As at 30 June 2024						
GQG Partners Emerging Markets Equity Fund	2,278,103	0.16%	-	32,175	78,587	(414,889)
Colchester Global Government Bond Fund	4,983,585	12.77%	-	-	12,848	-
As at 30 June 2023						
GQG Partners Emerging Markets Equity Fund	2,191,199	0.47%	175,414	107,918	53,461	-
Colchester Global Government Bond Fund	4,965,496	17.38%	-	-	14,038	(892,634)
LDI Connect 7 Portfolio						
As at 30 June 2024						
GQG Partners Emerging Markets Equity Fund	9,371,150	0.67%	467,616	132,355	341,377	(2,064,418)
Allan Gray Australia Equity Fund	5,953,084	0.25%	486,699	486,699	950,612	(706,013)
As at 30 June 2023						
GQG Partners Emerging Markets Equity Fund	9,494,610	2.06%	760,080	467,616	231,648	-
Allan Gray Australia Equity Fund	5,645,789	0.25%	562,080	562,080	318,308	-
LDI Connect 20 Portfolio						
As at 30 June 2024						
GQG Partners Emerging Markets Equity Fund	911,686	0.07%	50,931	12,876	37,100	(282,710)
Allan Gray Australia Equity Fund	502,154	0.02%	41,054	41,054	37,057	(96,129)
As at 30 June 2023						
GQG Partners Emerging Markets Equity Fund	1,034,124	0.22%	73,743	50,931	290,663	(65,283)
Allan Gray Australia Equity Fund	605,631	0.03%	60,295	60,295	34,145	-

17. Events occurring after the reporting period

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

18. Contingent assets and liabilities and commitments

As at 30 June 2024 and 30 June 2023, the Funds have the following commitments:

	Currency	Total commitment		Uncalled commitment	
		2024	2023	2024	2023
LDI Connect 7 Portfolio					
Ancala Infrastructure Fund II	EUR	2,400,000	2,400,000	260,744	375,418
Artesian Venture Capital Fund of Funds	AUD	2,000,000	2,000,000	-	-
Zouk Charging Infrastructure and Investment Fu	GBP	1,962,000	1,962,000	941,760	1,255,680
Forest Climate Solutions Fund	USD	3,000,000	3,000,000	947,408	947,408
LDI Connect 20 Portfolio					
BlueChilli Venture Fund	AUD	300,000	300,000	-	-
Artesian Venture Capital Fund of Funds	AUD	1,400,000	1,400,000	-	-
Zouk Charging Infrastructure and Investment Fu	GBP	477,000	477,000	228,960	305,280

There were no other outstanding contingent assets, liabilities 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 39 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 Funds' financial positions as at 30 June 2024 and of their performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Funds will be able to pay their 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



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Independent Auditor's Report to the unit holders of LDI Connect 3 Portfolio, LDI Connect 7 Portfolio, and LDI Connect 20 Portfolio

Opinion

We have audited the financial reports of LDI Connect 3 Portfolio, LDI Connect 7 Portfolio, LDI Connect 20 Portfolio the Funds, which comprises the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements 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 reports of the Funds are in accordance with the Corporations Act 2001, including:

- a. Giving a true and fair view of the Funds' financial positions as at 30 June 2024 and of their 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 or the Auditor's financial reports section of our report. We are independent of the Funds 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 in connection with the Code that are relevant to our audit of the financial reports 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 Reports 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 reports.

Our opinion on the financial reports 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 reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports 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 Reports

The Directors of the Responsible Entity are responsible for the preparation of the financial reports 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 reports that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the Directors of the Responsible Entity are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 reports.

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 reports, 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 entity'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 entity'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 reports 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 funds to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent 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 handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Jonathan Hall'.

Jonathan Hall
Partner
Sydney
25 September 2024