

# **Neuberger Berman Emerging Markets Equity Trust**

ARSN 152 465 748

## **Annual report**

**For the period 1 July 2022 to 26 May 2023**

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## Annual report

For the period 1 July 2022 to 26 May 2023

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This financial report covers Neuberger Berman Emerging Markets Equity Trust as an individual entity.

The Responsible Entity of Neuberger Berman Emerging Markets Equity Trust is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street  
Melbourne, VIC 3000.

## Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Neuberger Berman Emerging Markets Equity Trust (the "Fund"), present their report together with the financial statements of the Fund for the period 1 July 2022 to 26 May 2023.

### Principal activities

Until its closure on 26 May 2023, the Fund invested in emerging market equity securities that are listed or traded on global exchanges and listed unit trusts in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund also used derivatives for hedging purposes and efficient portfolio management.

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

The Fund did not have any employees during the period.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Neuberger Berman Australia Limited
Custodian and Administrator	JPMorgan Chase Bank N.A.
Statutory Auditor	PricewaterhouseCoopers

### Directors

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

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

### Review and results of operations

These are the final financial statements for the Fund, which has been wound up.

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

The Fund's performance was 4.73% (net of fees) for the period 1 July 2022 to 26 May 2023. The Fund's benchmark, the MSCI Emerging Markets Index (AUD) returned 5.76% for the same period.

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

	For the period 1 July 2022 to 26 May 2023	Year ended 30 June 2022
Profit/(loss) for the period (\$)	291,536	(46,213,904)
Distributions paid and payable (\$)	550,983	-
Distributions (cents per unit)	16.38	-

## Directors' report (continued)

### Significant changes in the state of affairs

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

The Fund was wound up on 26 May 2023 when all unit holders' entitlements were redeemed.

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

The Fund has been wound up effective 26 May 2023 with final proceeds being paid out on 6 June 2023 and all other assets and liabilities settled on 7 August 2023.

No other matter or circumstance has arisen since 26 May 2023 that has significantly affected, or may have a significant effect on:

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

### Indemnification and insurance of officers

No insurance premiums were paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### Indemnification of auditor

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

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

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

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

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

### Interests in the Fund

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

All units on issue were redeemed following the final fund payment made on 6 June 2023.

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

### Environmental regulation

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

### Rounding of amounts to the nearest dollar

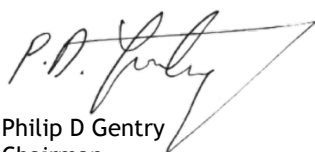
Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

## Directors' report (continued)

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

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



Philip D Gentry  
Chairman

Melbourne  
24 October 2023



## Auditor's Independence Declaration

As lead auditor for the audit of Neuberger Berman Emerging Markets Equity Trust for the period 1 July 2022 to 26 May 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink, appearing to read 'CJ Cummins', with a long horizontal flourish extending to the right.

CJ Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
24 October 2023

Neuberger Berman Emerging Markets Equity Trust  
Statement of comprehensive income  
For the period 1 July 2022 to 26 May 2023

Statement of comprehensive income

		For the period 1 July 2022 to 26 May 2023	Year ended 30 June 2022
	Note	\$	\$
<b>Investment income</b>			
Interest income from financial assets at fair value through profit or loss		10,608	-
Dividend and distribution income		1,249,523	4,544,055
Net foreign exchange gain/(loss)	12	(242,095)	147,883
Net gains/(losses) on financial instruments at fair value through profit or loss	12	886,994	(45,313,027)
Other income		<u>51</u>	<u>183</u>
<b>Total investment income/(loss)</b>		<u>1,905,081</u>	<u>(40,620,906)</u>
<b>Expenses</b>			
Management fees and costs		607,824	2,276,160
Withholding taxes		591,252	2,407,276
Transaction costs		414,469	486,448
Other expenses		<u>-</u>	<u>423,114</u>
<b>Total expenses</b>		<u>1,613,545</u>	<u>5,592,998</u>
<b>Profit/(loss) for the period</b>		<u>291,536</u>	<u>(46,213,904)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>291,536</u>	<u>(46,213,904)</u>

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

## Statement of financial position

		As at	
		26 May 2023	30 June 2022
	Note	\$	\$
<b>Assets</b>			
Cash and cash equivalents	11	3,816,482	6,268,431
Receivables	13	48,902	412,871
Due from brokers - receivable for securities sold		9,664	166,250
Financial assets at fair value through profit or loss	6	-	102,332,938
<b>Total assets</b>		<b>3,875,048</b>	<b>109,180,490</b>
<b>Liabilities</b>			
Distributions payable	10	550,983	-
Payables	14	3,324,065	89,005
Due to brokers - payable for securities purchased		-	1,035,475
Financial liabilities at fair value through profit or loss	7	-	444
<b>Total liabilities</b>		<b>3,875,048</b>	<b>1,124,924</b>
<b>Net assets attributable to unit holders - equity</b>	9	<b>-</b>	<b>108,055,566</b>

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



Neuberger Berman Emerging Markets Equity Trust  
Statement of changes in equity  
For the period 1 July 2022 to 26 May 2023

Statement of changes in equity

		For the period 1 July 2022 to 26 May 2023	Year ended 30 June 2022
	Note	\$	\$
<b>Total equity at the beginning of the financial period</b>		<b>108,055,566</b>	296,735,284
<b>Comprehensive income for the financial period</b>			
Profit/(loss) for the period		291,536	(46,213,904)
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u><b>291,536</b></u>	<u>(46,213,904)</u>
<b>Transactions with unit holders</b>			
Applications	9	134,161	30,574,466
Redemptions	9	(107,930,280)	(220,015,065)
Reinvestment of distributions	9	-	46,974,785
Distributions paid and payable	9	<u>(550,983)</u>	<u>-</u>
<b>Total transactions with unit holders</b>		<u><b>(108,347,102)</b></u>	<u>(142,465,814)</u>
<b>Total equity at the end of the financial period</b>		<u><b>-</b></u>	<u><b>108,055,566</b></u>

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

**Neuberger Berman Emerging Markets Equity Trust**  
**Statement of cash flows**  
**For the period 1 July 2022 to 26 May 2023**

**Statement of cash flows**

	For the period 1 July 2022 to 26 May 2023	Year ended 30 June 2022
Note	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	131,151,495	306,379,293
Payments for purchase of financial instruments at fair value through profit or loss	(28,782,591)	(102,677,616)
Interest income received from financial assets at fair value through profit or loss	10,608	10
Dividends and distributions received	1,008,762	2,287,156
Other income received	-	684,639
Management fees and costs paid	(696,829)	(2,462,442)
Transaction costs	(414,469)	(486,448)
Other expenses paid	(14,776)	(423,114)
<b>Net cash inflow/(outflow) from operating activities</b>	12(a) <u>102,262,200</u>	<u>203,301,478</u>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unit holders	134,161	30,574,466
Payments for redemptions by unit holders	(104,606,215)	(220,015,065)
Distributions paid to unit holders	-	(16,580,925)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(104,472,054)</u>	<u>(206,021,524)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(2,209,854)	(2,720,046)
Cash and cash equivalents at the beginning of the period	6,268,431	8,840,594
Effect of foreign currency exchange rate changes on cash and cash equivalents	(242,095)	147,883
<b>Cash and cash equivalents at the end of the period</b>	11 <u>3,816,482</u>	<u>6,268,431</u>
Non-cash operating and financing activities	12(b) 36,490	46,974,785

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

## Notes to the financial statements

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## **1 General information**

These financial statements cover Neuberger Berman Emerging Markets Equity Trust (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 3 August 2011. The Fund wound up its operations on 26 May 2023 when all assets of the Fund were realised and all units were redeemed out of the Fund.

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

Until its closure on 26 May 2023, the Fund invested primarily in a portfolio of equity securities and unit trusts in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

### **(a) Basis of preparation**

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

As the Fund was wound up on 26 May 2023, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a liquidation basis. The liquidation basis means assets have been written down to the lower of their carrying amounts and net realisable value and additional liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. Adopting the liquidation basis did not change the carrying amounts of any assets or liabilities.

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

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

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit 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 12 months cannot be reliably determined.

Under the liquidation basis of accounting, assets and liabilities are measured at liquidation value. The liquidation value of assets and liabilities is the estimated value for which assets are realised and liabilities settled.

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

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

### **(ii) New and amended standards adopted by the Fund**

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

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

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

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

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

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

- Financial liabilities

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

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, management fees payable, custodian and administration fees payable, Responsible Entity fees payables and due to brokers).

#### (ii) Recognition and derecognition

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

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

#### (iii) Measurement

- Financial instruments at fair value through profit or loss

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

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

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

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### (iii) *Measurement (continued)*

- 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, receivables and due from brokers are carried at amortised cost.

#### (iv) *Impairment*

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, receivables and due from brokers) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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

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

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

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

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

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

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;

## 2 Summary of significant accounting policies (continued)

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

- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

### (e) Investment income

#### (i) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

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

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

#### (ii) Dividends and distributions

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

Trust distributions are recognised on an entitlement basis.

### (f) Expenses

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

Management fees and costs cover certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees and other operating expense.

### (g) Income tax

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

## 2 Summary of significant accounting policies (continued)

### (g) Income tax (continued)

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

### (h) Distributions

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

### (i) Foreign currency translation

#### (i) *Functional and presentation currency*

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

#### (ii) *Transactions and balances*

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

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

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

### (j) Due from/to brokers

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

### (k) Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

### (l) Payables

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

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

### (m) Applications and redemptions

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



## 2 Summary of significant accounting policies (continued)

### (n) Goods and services tax (GST)

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

### (o) Use of estimates and judgements

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

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

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

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

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

### (p) Rounding of amounts

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

### (q) Comparative revisions

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

### 3 Financial risk management

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

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

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and unit trusts is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

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

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

#### (a) Market risk

##### (i) Price risk

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

Price risk is managed through diversification of the investment portfolio across countries, sectors and securities. The Investment Manager moderates this risk by the selection of countries, sectors and securities within the limits set by its internal disciplines. Portfolio weights of countries, sectors and securities are reviewed daily by the Investment Manager. In addition, these positions are reviewed at weekly and monthly meetings by the portfolio managers of the Investment Manager. The process assumes that adequate diversification can be obtained by limited portfolio holdings relative to the weight of the country or sector in the benchmark. The portfolio remains exposed to general market declines that are not limited to a single country or region. The objective is to limit risk through diversification.

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

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

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

##### (ii) Foreign exchange risk

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

Foreign exchange risk is managed as a part of price risk and measured using VaR analysis.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

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

	US Dollars A\$	Hong Kong Dollars A\$	Korean Won A\$	Indian Rupees A\$	Taiwan Dollars A\$	Chinese Yuan A\$	All other foreign currencies A\$
<b>As at 26 May 2023</b>							
Cash and cash equivalents	-	-	-	-	-	-	380
Receivables	-	-	-	-	-	-	9,331
<b>Net exposure</b>	-	-	-	-	-	-	9,711
Net increase/(decrease) in exposure from forward currency contracts	-	-	-	-	-	-	-
<b>Net exposure including forward currency contracts</b>	-	-	-	-	-	-	9,711
<b>As at 30 June 2022</b>							
Cash and cash equivalents	16,442	-	-	369	-	16,103	399,455
Receivables	-	33,877	73,105	14,340	185,401	-	81,403
Due from brokers - receivable for securities sold	152,484	-	13,766	-	-	-	-
Financial assets held at fair value through profit or loss	6,181,165	23,331,897	10,926,260	14,042,206	13,660,230	14,919,414	19,271,766
Due to brokers - payable for securities purchased	-	(86,584)	(17,261)	(95,045)	-	-	(836,603)
<b>Net exposure</b>	<b>6,350,091</b>	<b>23,279,190</b>	<b>10,995,870</b>	<b>13,961,870</b>	<b>13,845,631</b>	<b>14,935,517</b>	<b>18,916,021</b>
Net increase/(decrease) in exposure from forward currency contracts	-	86,742	-	-	-	-	142,570
<b>Net exposure including forward currency contracts</b>	<b>6,350,091</b>	<b>23,365,932</b>	<b>10,995,870</b>	<b>13,961,870</b>	<b>13,845,631</b>	<b>14,935,517</b>	<b>19,058,591</b>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk

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

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

#### (b) Summarised VaR Analysis

Value-at-risk ("VaR") is a statistical technique that attempts to summarise the exposure of a given portfolio to market risk by making assumptions about the expected probability distribution of future portfolio returns. VaR represents the maximum reasonable loss that an investor could expect during a time period, with a given probability. In order to estimate this future market risk, VaR assumes a normal or "bell shaped" curve of future portfolio returns and uses the unique characteristics of the normal distribution primarily symmetry of future returns both higher and lower than the average future return to estimate the amount of the possible future losses.

To calculate VaR, the Responsible Entity uses the historic price volatility and correlations of current portfolio holdings to calculate both the historic average return and the historic standard deviation of returns around the average. These statistics are then extrapolated into the future using the assumption of normal distribution to calculate an expected loss if the future portfolio return volatility behaves according to these assumptions. The VaR calculation presented here for the Fund use a 99% confidence interval and assumes a 1 month holding period.

#### Assumptions and limitations of VaR

The calculation process involves gathering the historical price volatility and correlations of the current portfolio holdings to arrive at an estimate of predicted future volatility and expected risk of loss. These limitations and the nature of the VaR measures mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than is stipulated by the model. VaR represents the probable expected loss that could be experienced during a given period - not the maximum loss that an investor could experience. It must be noted however that while the VaR model is an important and valuable risk management tool, it cannot and does not take account of all possible market conditions and extremities that may impact market price risk. For further information regarding market price risk and other risk factors please refer to the Fund's Product Disclosure Statement.

The following table summarises the estimated market risk impact to the profitability of the Fund. The estimated impact has been calculated on the basis of a VaR number incorporating market price and currency into an overall return risk.

	VaR Factor %	Net assets attributable to unit holders \$	Estimated impact of net assets attributable to unit holders \$
As at 26 May 2023	-	-	-
As at 30 June 2022	9.83	108,055,566	10,622,227

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

### 3 Financial risk management (continued)

#### (c) Credit risk

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

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

#### (d) Liquidity risk

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

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by investing the majority of its assets in investments that can be readily disposed off.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withheld any redemptions during the period 1 July 2022 to 26 May 2023 and the year ended 30 June 2022.

#### (i) *Maturities of non-derivative financial liabilities*

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

## 4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at 26 May 2023, the Fund held no derivative instruments. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below as at 30 June 2022.

	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral received/pledged	Net amount
As at 30 June 2022						
Financial assets						
Derivative financial instruments	763	-	763	(444)	-	319
Total	763	-	763	(444)	-	319
Financial liabilities						
Derivative financial instruments	444	-	444	(444)	-	-
Total	444	-	444	(444)	-	-

(i) Master netting arrangement - not currently enforceable

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

## **5 Fair value measurement**

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

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

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

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

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives, listed equity securities and listed unit trusts) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

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

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

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

### **(b) Fair value in an inactive or unquoted market (level 2)**

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

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

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

## 5 Fair value measurement (continued)

### (c) Recognised fair value measurements

As at 26 May 2023, the Fund held no financial assets and liabilities carried at fair value. The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2022.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2022				
Financial assets				
Forward currency contracts	-	763	-	763
International equity securities listed on a prescribed stock exchange	101,646,667	-	-	101,646,667
International listed trusts	<u>685,508</u>	<u>-</u>	<u>-</u>	<u>685,508</u>
Total financial assets	<u>102,332,175</u>	<u>763</u>	<u>-</u>	<u>102,332,938</u>
Financial liabilities				
Forward currency contracts	<u>-</u>	<u>(444)</u>	<u>-</u>	<u>(444)</u>
Total financial liabilities	<u>-</u>	<u>(444)</u>	<u>-</u>	<u>(444)</u>

### (d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

### (e) Financial instruments not carried at fair value

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

## 6 Financial assets at fair value through profit or loss

	As at	
	26 May 2023	30 June 2022
	\$	\$
Forward currency contracts	-	763
International equity securities listed on a prescribed stock exchange	-	101,646,667
International listed trusts	<u>-</u>	<u>685,508</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>102,332,938</u>

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



## 7 Financial liabilities at fair value through profit or loss

	As at	
	26 May 2023	30 June 2022
	\$	\$
Forward currency contracts	-	444
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>444</b>

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

## 8 Derivative financial instruments

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

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

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

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

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

### Forward currency contracts

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

As at 26 May 2023, the Fund held no derivative financial instruments. The Fund's derivative financial instruments measured at fair value as at 30 June 2022 are detailed below.

	Contractual/ notional \$	Assets \$	Liabilities \$
As at 30 June 2022			
Forward currency contracts	234,757	763	(444)
<b>Total derivatives</b>	<b>234,757</b>	<b>763</b>	<b>(444)</b>

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

## 9 Net assets attributable to unit holders - equity

The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c).

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

	For the period 1 July 2022 to 26 May 2023		Year ended 30 June 2022	
	Units	\$	Units	\$
Opening balance	98,312,401	108,055,566	207,659,960	296,735,284
Applications	122,698	134,161	22,006,422	30,574,466
Redemptions	(98,435,099)	(107,930,280)	(164,201,184)	(220,015,065)
Reinvestment of distributions	-	-	32,847,203	46,974,785
Distributions paid and payable	-	(550,983)	-	-
Profit/(loss) for the period	-	291,536	-	(46,213,904)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>98,312,401</b>	<b>108,055,566</b>

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

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

### Capital risk management

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

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

## 10 Distributions to unit holders

	For the period 1 July 2022 to 26 May 2023		Year ended 30 June 2022	
	\$	CPU	\$	CPU
Distributions payable - 26 May	550,983	16.38	-	-
<b>Total distributions</b>	<b>550,983</b>	<b>16.38</b>	<b>-</b>	<b>-</b>

## 11 Cash and cash equivalents

	As at	
	26 May 2023	30 June 2022
	\$	\$
Cash at bank	<u>3,816,482</u>	<u>6,268,431</u>
<b>Total cash and cash equivalents</b>	<b><u>3,816,482</u></b>	<b><u>6,268,431</u></b>

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

	For the period	
	1 July 2022 to 26 May 2023	Year ended 30 June 2022
	\$	\$
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the period	291,536	(46,213,904)
Proceeds from sale of financial instruments at fair value through profit or loss	131,151,495	306,379,293
Payments for purchase of financial instruments at fair value through profit or loss	(28,782,591)	(102,677,616)
Net (gains)/losses on financial instruments at fair value through profit or loss	(886,994)	45,313,027
Net foreign exchange (gain)/loss	242,095	(147,883)
Dividend income reinvested	(36,490)	-
Net change in receivables	372,154	834,843
Net change in payables	(89,005)	(186,282)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>102,262,200</u></b>	<b><u>203,301,478</u></b>
<b>(b) Non-cash operating and financing activities</b>		
The following purchases of investments were satisfied by participating in dividend and distribution reinvestment plans	36,490	-
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plans	-	46,974,785
<b>Total non-cash operating and financing activities</b>	<b><u>36,490</u></b>	<b><u>46,974,785</u></b>

## 13 Receivables

	As at	
	26 May 2023	30 June 2022
	\$	\$
Distributions receivable	9,330	228,737
RITC receivable	39,572	24,745
Withholding tax receivable	-	159,389
<b>Total receivables</b>	<b>48,902</b>	<b>412,871</b>

## 14 Payables

	As at	
	26 May 2023	30 June 2022
	\$	\$
Redemptions payable	3,324,065	-
Management fees and costs payable	-	89,005
<b>Total payables</b>	<b>3,324,065</b>	<b>89,005</b>

## 15 Remuneration of auditor

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

	For the period 1 July 2022 to 26 May 2023 \$	Year ended 30 June 2022 \$
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	11,450	16,600
Audit of compliance plan	2,346	2,346
Total remuneration for audit and other assurance services	13,796	18,946
<i>Taxation services</i>		
Tax compliance services	8,573	11,230
Total remuneration for taxation services	8,573	11,230
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>22,369</b>	<b>30,176</b>

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

## 16 Related party transactions

The Responsible Entity of Neuberger Berman Emerging Markets Equity Trust is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

### (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 period and up to the date of this report.

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

#### (ii) Responsible Entity

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

#### (iii) Other key management personnel

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

### (b) Transactions with key management personnel

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

### (c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 26 May 2023 (30 June 2022: nil).

### (d) Key management personnel compensation

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

### (e) Key management personnel loans

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

### (f) Other transactions within the Fund

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

## 16 Related party transactions (continued)

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

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

	For the period 1 July 2022 to 26 May 2023	Year ended 30 June 2022
	\$	\$
Management fees and costs for the period	607,824	2,276,160
Management fees and costs payable at the end of the period	-	89,005

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

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

Equity Trustees Limited earned \$44,179 (2022: \$140,284) for Responsible Entity services provided to the Fund, paid from management fees and cost.

### (h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 26 May 2023 (30 June 2022: nil).

### (i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the period (2022: nil).

## 17 Events occurring after the reporting period

The Fund has been wound up effective 26 May 2023 with final proceeds being paid out on 6 June 2023 and all other assets and liabilities settled on 7 August 2023.

No other significant events have occurred since the end of the reporting period up to the date of signing the Annual report which would impact on the financial position of the Fund as disclosed in the Statement of financial position as at 26 May 2023 or on the results and cash flows of the Fund for the period ended on that date.

## 18 Contingent assets and liabilities and commitments

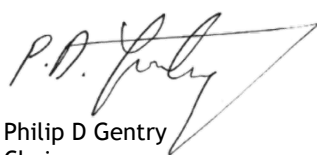
There were no outstanding contingent assets, liabilities or commitments as at 26 May 2023 and 30 June 2022.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 28 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 26 May 2023 and of its performance for the financial period ended on that date.
- (b) As disclosed in Note 2 to the financial statements the Fund has been terminated and is closed. The Fund has discharged all its debts and obligations.

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



Philip D Gentry  
Chairman

Melbourne  
24 October 2023



## Independent auditor's report

To the unit holders of Neuberger Berman Emerging Markets Equity Trust

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### Our opinion

In our opinion:

The accompanying financial report of Neuberger Berman Emerging Markets Equity Trust (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 26 May 2023 and of its financial performance for the period 1 July 2022 to 26 May 2023
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the statement of financial position as at 26 May 2023
- the statement of comprehensive income for the period 1 July 2022 to 26 May 2023
- the statement of changes in equity for the period 1 July 2022 to 26 May 2023
- the statement of cash flows for the period 1 July 2022 to 26 May 2023
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### Independence

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Emphasis of matter - going concern no longer appropriate

We draw attention to Note 2(a) in the financial report, which outlines that the Fund was terminated on 26 May 2023. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

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### Other information

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the annual report for the period 1 July 2022 to 26 May 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

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### Responsibilities of the directors of the Responsible Entity for the financial report

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

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

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### Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'CJ Cummins', written over a light blue horizontal line.

CJ Cummins  
Partner

Sydney  
24 October 2023