

Professionally Managed Accounts

ARSN 620 030 382

Financial Report For the year ended 30 June 2022

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Professionally Managed Accounts

Responsible Entity report

For the year ended 30 June 2022

The Directors of InvestSMART Funds Management Ltd (“InvestSMART”) (ABN 62067751759) (AFSL No 246441), the Responsible Entity, present their report together with the financial report of Professionally Managed Accounts (ARSN 620 030 382) (“Trust”) for the year ended 30 June 2022.

Principal activities

The Trust is an Australian registered managed investment scheme which was constituted on 6 July 2017, registered on 11 July 2017 and first issued a Product Disclosure Statement on 1 November 2018. Within the Trust each investor has a separate account to which their investments are allocated. The investments are held in a broker-sponsored account, registered through the Clearing House Electronic Sub-register System (“CHESS”) in the name of the account holder. The Trust aims to invest in a model portfolio of Australian listed securities as directed by the account holder in accordance with the Product Disclosure Statement and the provisions of the Trust’s Constitution. The Trust is domiciled in Australia.

The Trust did not have any employees during the period.

There were no significant changes in the nature of the Trust’s activities during the period.

The various service providers for the Trust are detailed below:

Service	Provider
Responsible Entity	InvestSMART Funds Management Ltd
Investment Managers	Intelligent Investor Holdings Pty Limited and InvestSMART Financial Services Pty Ltd
Statutory Auditor	BDO Audit Pty Limited

Directors

The following persons were Directors of InvestSMART Funds Management Ltd during the year up to the date of this report, unless otherwise stated:

Alastair Davidson
Peter Ronald Hodge
Andrew Ward

Operating and financial review

Applications received for units in the Trust are recorded at membership interest (a fixed \$1.00 fee) received prior to the issue of units in the Trust. Redemptions from the Trust are recorded at membership interest (a fixed \$1.00 fee) after the cancellation of units redeemed. The Trust received 1,214 applications and received 286 redemptions during the year (2021: 945 applications and 129 redemptions).

The Trust’s statutory net profit attributable to unitholders for the year ended 30 June 2022 was \$nil (2021: \$nil).

There were no distributions paid or payable during the year.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of Professionally Managed Accounts that occurred during the year under review other than those listed above or elsewhere in the Responsible Entity’s report.

Likely developments and expected results of operations

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

Professionally Managed Accounts

Responsible Entity report

For the year ended 30 June 2022

Events subsequent to balance date

No circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Number of interests on issue

As at 30 June 2022 the number of units on issue in the Trust was 2,513 (2021: 1,585).

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

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

Fees payable to the Responsible Entity by the unitholders as at the end of the financial year are disclosed in Note 9 to the financial statements.

The number of interests in the Trust held by the Responsible Entity or its associates at the end of the financial year are disclosed in Note 9 to the financial statements.

Indemnification and insurance of Directors and Officers

No insurance premiums are paid for out of the assets of the Trust in regard to insurance cover provided to the officers of InvestSMART Funds Management Ltd. As long as the officers of InvestSMART Funds Management Ltd act in accordance with the Trust's Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnification of auditors

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

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Responsible Entity's report for the year ended 30 June 2022.

This report is made in accordance with a resolution of the Directors.



Andrew Ward

Director

Sydney

20 September 2022

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INVESTSMART FUNDS
MANAGEMENT LTD AS THE RESPONSIBLE ENTITY OF PROFESSIONALLY MANAGED ACCOUNTS

As lead auditor of Professionally Managed Accounts for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Tim Aman
Director

BDO Audit Pty Ltd

Sydney

20 September 2022

Professionally Managed Accounts
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	2022	2021
	\$	\$
Revenue from continuing operations		
Finance revenue	-	-
Total revenue from continuing operations and other income	<u>-</u>	<u>-</u>
Expenses		
Management fees	-	-
Administration expenses	-	-
Total expenses	<u>-</u>	<u>-</u>
Operating profit/(loss) before finance costs attributable to unitholders	<u>-</u>	<u>-</u>
Finance costs attributable to unitholders		
Distributions to unitholders	-	-
Increase/(decrease) in net assets attributable to unitholders	<u>-</u>	<u>-</u>
Profit/(loss) for the year	<u>-</u>	<u>-</u>
Other comprehensive income	-	-
Total comprehensive income	<u>-</u>	<u>-</u>
Earnings per unit attributable to the unitholders of the Trust		
Basic and diluted earnings per unit (cents)	-	-

The above statement of profit or loss and other comprehensive income should be read with the accompanying notes.

Professionally Managed Accounts**Statement of financial position****As at 30 June 2022**

	Note	2022 \$	2021 \$
ASSETS			
Cash and cash equivalents		2,513	1,585
Receivables	6	<u>52,995</u>	<u>32,541</u>
Total assets		<u>55,508</u>	<u>34,126</u>
LIABILITIES			
Trade and other payables	7	<u>52,995</u>	<u>32,541</u>
Total liabilities		<u>52,995</u>	<u>32,541</u>
Net assets attributable to unitholders - equity	4	<u>2,513</u>	<u>1,585</u>

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

Professionally Managed Accounts
Statement of changes in equity
For the year ended 30 June 2022

	2022	2021
	\$	\$
Total equity at the beginning of the period	1,585	769
Total comprehensive income for the period	-	-
Transactions with unit holders:		
Applications	1,214	945
Redemptions	286	129
Total equity at the end of the period	<u>2,513</u>	<u>1,585</u>

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

Professionally Managed Accounts

Statement of cash flows

For the year ended 30 June 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers	-	-
Net cash outflows from operating activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from applications by unitholders	1,214	945
Payments for redemptions by unitholders	286	129
Net cash inflow from financing activity	<u>928</u>	<u>816</u>
Net increase in cash and cash equivalents	928	816
Cash and cash equivalents at the beginning of the year	1,585	769
Cash and cash equivalents at the end of the year	<u>2,513</u>	<u>1,585</u>

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

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

1. General information

These financial statements cover Professionally Managed Accounts (the “Trust”) as an individual entity. The Trust is an Australian registered managed investment scheme which was constituted on 6 July 2017, registered on 11 July 2017 and issued a Product Disclosure Statement on 1 November 2018. Within the Trust each investor has a separate account to which their investments are allocated. The investments are held in a broker-sponsored account, registered through the Clearing House Electronic Sub-register System (“CHESS”) in the name of the account holder. The Trust aims to invest in a model portfolio of Australian listed securities as directed by the account holder in accordance with the Product Disclosure Statement and the provisions of the Trust’s Constitution. The Trust is domiciled in Australia.

The Responsible Entity of the Trust is InvestSMART Funds Management Ltd (ABN 62 067 751 759) (AFSL 246441) (the “Responsible Entity”). The Responsible Entity’s registered office is Suite 2, Level 2, 66 Clarence Street, Sydney, NSW 2000. These financial statements are presented in Australian dollars.

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 the period 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 Trust is a for-profit entity for the purpose of preparing the financial statements.

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

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

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 Trust also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Trust

The Trust has adopted all of the new and revised standards and interpretations issued by Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised standards and interpretations did not have a material impact on the financial statements of the Trust.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Trust has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Trust’s financial statements.

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

(iii) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting periods and have not been early adopted by the Trust. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations does not anticipate material impact on the financial statements of the Trust.

(b) Net assets attributable to unitholders

The attribution managed investment managed investment trust regime ("AMIT") allows managed investment trusts ("MITs") to make an irrevocable choice to be an AMIT. The trust adopted AMIT from 1 July 2019. Under AMIT income is attributed to unitholders on a fair and reasonable basis, as determined by the Responsible Entity.

Units are classified as equity when 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 Trust's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and is not a contract settled in the Trust's own equity
- the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity over the life of the instrument (excluding any effects of the instrument).

Having satisfied all the above criteria on adoption of AMIT the Trust's units were reclassified from financial liability to equity on 1 July 2019.

(c) Impairment of assets

The Trust assesses at each reporting date an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Under the general approach for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Trust applies a simplified approach in calculating ECLs for trade receivables (Note 2(i), (j)). Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust considers a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

(f) Expenses

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

(g) Income tax

Under current Australian income tax legislation, the Trust is generally not liable for income tax provided their taxable income and taxable capital gains are fully distributed to unitholders each year. In the circumstances if a managed investment trust undertakes certain trading activities that trust may be liable to pay income tax.

(h) Distributions

In accordance with the Trust Constitution, the Trust distributes income adjusted for amounts determined by the Responsible Entity, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

(i) Increase/decrease in net asset attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

(j) Receivables and accrued income

Receivables may include amounts for fees receivable, interest and trust distributions. Receivables are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last. Amounts are generally received within 30 days of being recorded as receivables.

(k) Payables

Payables include liabilities owing by the Trust which are unpaid as at the end of the reporting period. As the Trust has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

(l) Applications and redemptions

Applications received for units in the Trust are recorded at membership interest (a fixed \$1.00 fee) received prior to the issue of units in the Trust. Redemptions from the Trust are recorded at membership interest (a fixed \$1.00 fee) after the cancellation of units redeemed.

3. Financial risk management

The Trust's activities expose it to a variety of financial risks including liquidity risk.

The Trust's overall risk management program focuses on ensuring compliance with the Trust's Product Disclosure Statement and the investment guidelines of the Fund.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have at least a rating of AA. The Trust is not materially exposed to credit risk on other financial assets.

Liquidity risk is the risk that the Trust 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 Trust may arise from the requirement to meet daily unit holder redemption requests.

Liquidity risk is mitigated by maintaining sufficient cash and reserves to meet its normal operating requirements.

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

In order to manage the Trust'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 Trust did not reject or withhold any redemptions during 2022.

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
As at 30 June 2022					
Trade and other payables	52,995	-	-	-	52,995
As at 30 June 2021					
Trade and other payables	32,541	-	-	-	32,541

4. Net assets attributable to unit holders

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

	Year ended 30 June 2022		Year ended 30 June 2021	
	Units	\$	Units	\$
Opening balance	1,585	1,585	769	769
Applications	1,214	1,214	945	945
Redemptions	286	286	129	129
Distributions paid and payable	-	-	-	-
Profit/(loss) for the year	-	-	-	-
Closing balance	2,513	2,513	1,585	1,585

As stipulated in the Trust's Constitution, each unit represents a right to an individual share in the Trust (a membership interest fixed at \$1.00) and does not extend to a right in the underlying assets of the Trust.

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

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such amounts expected to be settled within 12 months from year end of financial year cannot be readily determined.

The Trust considers its net assets attributable to unit holders as capital. The amount of net assets attributable to unit holders can change on a daily basis as the Trust 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 Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust'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.

5. Distributions

The Trust did not declare or pay any distributions during the year (2021: \$nil).

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

6. Receivables

Receivables of \$52,995 (2021: \$32,541) consists of amounts receivable from member portfolio portfolios for management services. This amount is payable to the Responsible Entity.

7. Payables

Payables of \$52,995 (2021: \$32,541) consists of amounts payable to the Responsible Entity for management services (deducted from member portfolios).

8. Remuneration of auditor

The remuneration of the auditors (BDO Audit Pty Ltd) is \$nil (2021: \$nil). Fees for audit services for InvestSMART Group Ltd and its subsidiaries are bundled. InvestSMART Group Ltd is the parent entity of InvestSMART Funds Management Ltd (the Responsible Entity).

Audit and review fees for the Group include fees for:

- Auditing and reviewing the statutory financial report of the parent entity covering the group
- Auditing the statutory financial report of Australian Financial Services Licensees which are controlled entities
- Assurance services required by legislation to be provided by the auditor (reporting to ASIC for the purposes of Form FS 71 for AFS licensees)
- Auditing and reviewing schemes issued by InvestSMART Funds Management Limited
- Audit of compliance plans of schemes issued by InvestSMART Funds Management Limited

Fees were also incurred by the Group for taxation services performed by BDO network firms.

The amount and nature of all fees paid by the Group is disclosed in the InvestSMART Group Ltd Consolidated Financial Statements.

9. Related party transactions

The Responsible Entity of the Fund is InvestSMART Funds Management Ltd, a wholly owned subsidiary of InvestSMART Group (ABN 6211172359). Transactions with entities related to InvestSMART Funds Management Ltd are disclosed below.

The Responsible Entity has contracted services to Intelligent Investor Holdings Pty Limited and InvestSMART Financial Services Pty Ltd, to act as Investment Managers for the Trust. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

The Responsible Entity is regarded as the key management personnel of the Trust.

(i) Directors

Key management personnel include persons who were directors of InvestSMART Funds Management Ltd at any time during or since the end of the financial period and up to the date of this report:

Alastair Davidson
Peter Ron Hodge
Andrew Ward

(b) Transactions with key management personnel

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

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

(c) Related party unit holdings

Related parties held the following units at year end:

	Number of units held opening	Number of units held closing	Fair value of investment \$	Interest held %	Number of units acquired	Number of units disposed
At 30 June 2022						
Alastair Davidson	1	1	1	0.04%	-	-
Peter Ron Hodge	2	4	4	0.16%	2	-
Andrew Ward	-	1	1	0.04%	1	-
InvestSMART Financial Services Pty Ltd	-	1	1	0.00%	1	-
At 30 June 2021						
Alastair Davidson	2	1	1	0.06%	-	1
Peter Ron Hodge	2	2	2	0.13%	-	1
InvestSMART Financial Services Pty Ltd	1	-	-	0.00%	-	1

There were no distributions paid or payable during the year.

(d) Key management personnel compensation

Key management personnel are paid by InvestSMART Group Ltd. Payments made from the Trust to InvestSMART Funds Management Ltd do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Trust 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 Trust

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

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

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

InvestSMART Funds Management Ltd receives a management fee of 0.55% of Net Asset Value (inclusive of GST) on InvestSMART Model Portfolios. The fee was capped at \$451 p.a. to 30 April 2022. From 1 May 2022 the cap is increased to \$550 p.a. (inclusive of GST). Management fees are deducted directly from unitholders accounts on a monthly basis.

	2022	2021
	\$	\$
Management fees for the period (excluding GST)	511,536	277,978
Total fees payable to the Responsible Entity at period end	52,995	32,541

Intelligent Investor Model portfolios are charged a fee of 0% and hold the corresponding Active Exchange Traded Fund ("Active ETF") issued by InvestSMART Funds Management Ltd. The client is charged a fee of 0.97% (inclusive of GST) by the Fund that the

Professionally Managed Accounts

Notes to the financial report

For the year ended 30 June 2022

model portfolio holds. The Growth Portfolio invests in the Intelligent Investor Australian Equity Growth Fund (ASX: IIGF). The Income Portfolio invests in the Intelligent Investor Australian Equity Income Fund (ASX: INIF). The Ethical Portfolio invests in the Intelligent Investor Ethical Share Fund (ASX: INES).

10. Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Trust as disclosed in the statement of financial position as at 30 June 2022 or on the results and cash flows of the Trust for the period ended on that date.

11. Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments at 30 June 2022 and 30 June 2021.

Professionally Managed Accounts

Directors' declaration

For the year ended 30 June 2022

In the opinion of the Directors of the Responsible Entity:

- a) The financial statements and notes that are set out on pages 5 to 15, 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;
 - (ii) giving a true and fair view of the Trust's financial position at 30 June 2022 and of its performance for the financial period ended on that date.
- b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable
- 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 InvestSMART Funds Management Ltd.



Andrew Ward

Director

Sydney

20 September 2022

INDEPENDENT AUDITOR'S REPORT

To the unitholders of Professionally Managed Accounts

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Professionally Managed Accounts (the Fund), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Responsible Entity report, 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.

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 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.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Fund's ability 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 either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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


A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO



Tim Aman
Director

Sydney, 20 September 2022